central midlands audit partnership

Ashfield District Council – Audit Progress Report

Audit Committee: 20 March 2023

Ashfield
DISTRICT COUNCIL

Contents

Page

AUDIT DASHBOARD	3
AUDIT PLAN	4
AUDIT COVERAGE	5
RECOMMENDATION TRACKING	7

Our Vision

Through continuous improvement, the central midlands audit partnership will strive to provide cost effective, high quality internal audit services that meet the needs and expectations of all its partners.

Contacts

Richard Boneham CPFA
Head of Internal Audit (DCC) &
Head of Audit Partnership
c/o Derby City Council
Council House
Corporation Street
Derby, DE1 2FS
Tel. 01332 643280
richard.boneham@derby.gov.uk

Adrian Manifold CMIIA
Audit Manager
c/o Derby City Council
Council House
Corporation Street
Derby
DE1 2FS
Tel. 01332 643281
adrian.manifold@centralmidlandsaudit.co.uk

Mandy Marples CPFA, CCIP
Audit Manager
c/o Derby City Council
Council House
Corporation Street
Derby
DE1 2FS
Tel. 01332 643282
mandy.marples@centralmidlandsaudit.co.uk

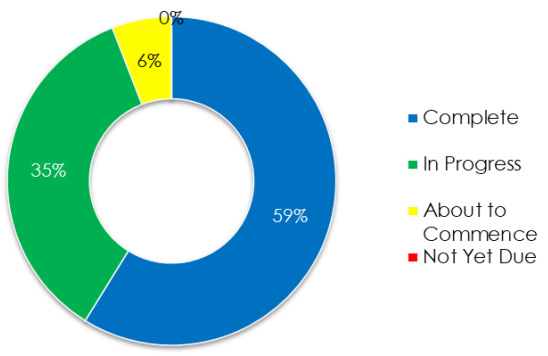
CMAP central midlands audit partnership

Providing Excellent Audit Services in the Public Sector

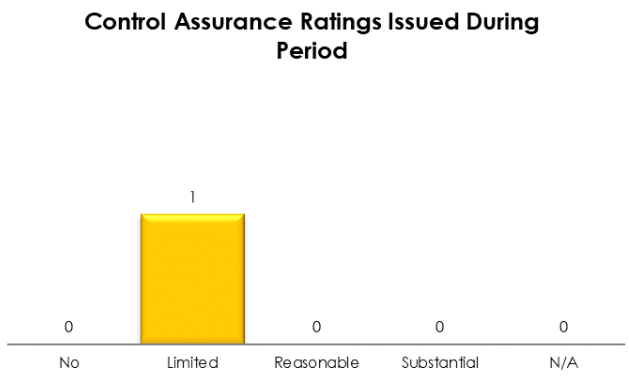
Ashfield District Council – Audit Progress Report

AUDIT DASHBOARD

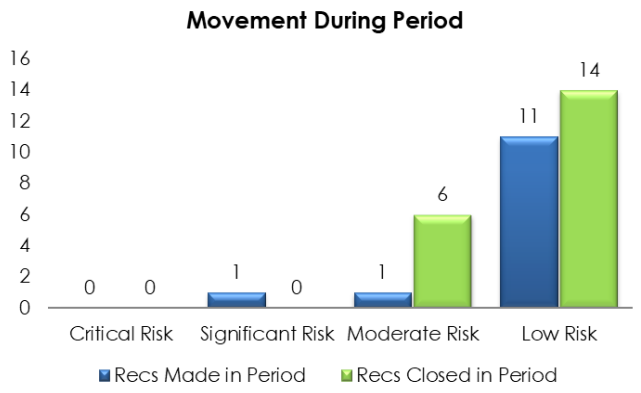
Plan Progress



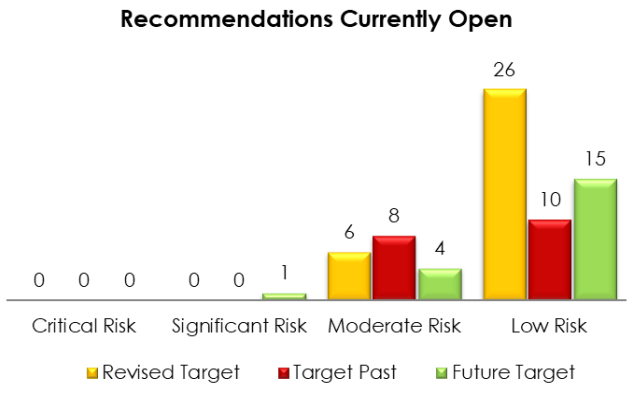
Assurance Ratings



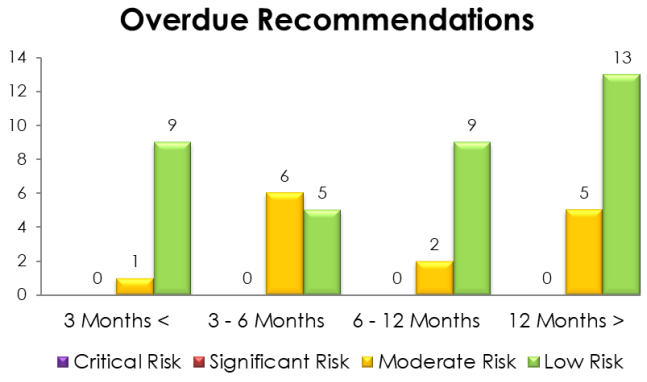
Recommendations



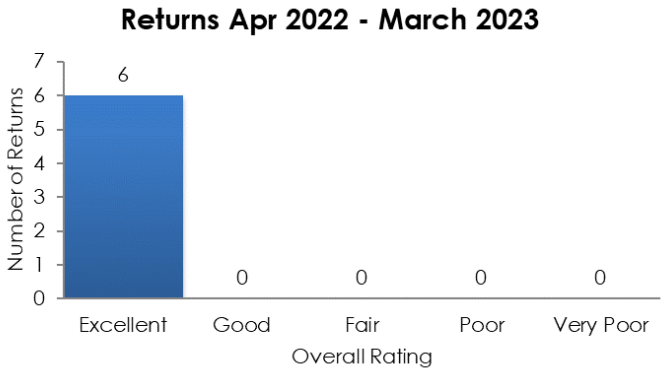
Recommendations



Recommendations



Customer Satisfaction



Ashfield District Council – Audit Progress Report

AUDIT PLAN

Progress on Audit Assignments

The following table provides the Committee with information on how audit assignments were progressing as of 3 March 2023.

2022-23 Jobs	Status	% Complete	Assurance Rating
Anti-Fraud & Corruption 2022-23	In Progress	40%	
Organisational Culture and Ethics 2022-23	Allocated		
General Ledger – Data Analytics 2022-23	In Progress	45%	
Treasury Management 2022-23	Final Report	100%	Reasonable
IT Asset Inventory 2022-23	Final Report	100%	Limited
Estates 2022-23	Draft Report	95%	
Licensing 2022-23	Final Report	100%	Reasonable
Section 106 2022-23	In Progress	90%	
Leisure Centre 2022-23	In Progress	90%	
Future High Streets Fund 2022-23	In Progress	40%	
Housing – Data Quality 2022-23	Final Report	100%	No
Climate Change & Sustainability 2022-23	Final Report	100%	N/A
Health & Safety 2022-23	Final Report	100%	Limited
Homes England Grant	Complete	100%	N/A
B/Fwd Jobs	**Status**	**% Complete**	**Assurance Rating**
Accounting Systems	Final Report	100%	Substantial
Corporate Credit Cards 2021-22	Final Report	100%	Reasonable
Planning	Final Report	100%	Reasonable

Audit Plan Changes

None to report.

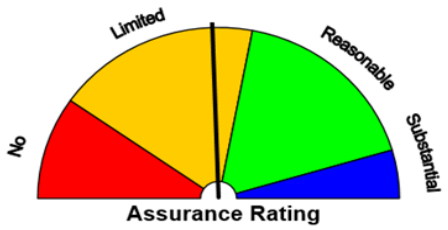
AUDIT COVERAGE

Completed Audit Assignments

Between 18 January 2023 and 3 March 2023, the following audit assignment has been finalised since the last progress update was given to the Audit Committee.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Health & Safety 2022-23	Limited	0	1	1	11	31%
TOTALS		**0**	**1**	**1**	**11**	**31%**

Health & Safety 2022-23



Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are controls and processes in place to ensure asbestos is recorded and appropriate regulations are followed.	9	1	7	1
The Council has controls and processes in place to ensure that it mitigates the risk of legionella.	10	5	4	1
TOTALS	**19**	**6**	**11**	**2**

Summary of Weakness	Risk Rating	Agreed Action Date
The Council guidance, policies and procedures for asbestos had not been reviewed or did not include expected revision dates.	Low Risk	31/03/2023
The asbestos register for non-domestic properties did not document the full date of the last inspection, only the year for the next inspection; it was therefore difficult to ensure the inspections had been undertaken annually.	Low Risk	31/01/2023
The full Asbestos Management Surveys had not been completed on the communal areas of domestic properties since 2004.	Low Risk	Risk Accepted
Three employees asbestos awareness training was not up to date and not all trade operatives had non-licensed asbestos work training.	Low Risk	18/05/2023

Neither the domestic communal areas asbestos register nor the list of non-domestic properties with asbestos had been reconciled against the asset register to ensure all properties had been accounted for.	Low Risk	30/06/2023
The non-domestic properties' asbestos records were retained in an area where access had not been restricted to officers with a genuine business need.	Low Risk	31/01/2023
The Asset and Investments service area had spent over £26,000 with an asbestos surveying and removal company in the year to 31 October 2022, without a contract being in place.	Moderate Risk	31/03/2023
There were two occasions where the Council was unable to provide evidence of the asbestos survey or what had happened to some asbestos noted in the register.	Low Risk	31/03/2023
The Council did not have a dedicated Corporate Legionella Management Policy/Procedural Guidance in place.	Low Risk	30/04/2023
The contractor had not consistently provided evidence that legionella inspections had been undertaken in accordance with the requirements of the water testing and check schedule provided to them.	Significant Risk	31/03/2023
The non-domestic properties' legionella records were retained in an area where access had not been restricted to officers with a genuine business need.	Low Risk	31/01/2023
The lists of properties with water systems had not been reconciled to the asset register.	Low Risk	30/06/2023
The recommendations from legionella risk assessments which were classed as best practice, had not been implemented.	Low Risk	31/03/2023

Ashfield District Council – Audit Progress Report

RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
14-Feb-19	Risk Registers	Reasonable	1	0	0
24-Apr-18	ICT Performance Management	Reasonable	0	2	0
16-Aug-19	Fire Safety	Reasonable	0	1	0
12-Mar-19	Treasury Management & Banking Services	Reasonable	0	1	0
03-Dec-19	Data Quality & Performance Management	Reasonable	0	1	0
31-Jan-20	Information Governance	Reasonable	0	1	0
21-Jun-21	Management of Fraud Risk	Limited	0	9	0
10-May-21	People Management	Reasonable	0	5	0
21-Jun-21	Delegated Decisions	Reasonable	0	1	0
16-Aug-21	Teleworking Security	Reasonable	0	3	0
05-Oct-21	PCI Compliance in Organisational Transformation	Reasonable	0	2	0
28-Feb-22	Outdoor Recreation - Sports Bookings	Limited	0	1	3
03-Mar-22	Risk Management 2021-22	Reasonable	0	0	1
29-Mar-22	Scrutiny	Reasonable	0	1	0
08-Apr-22	Accounting Systems 2021-22	Substantial	0	3	0
11-Jul-22	Planning	Reasonable	3	0	0
28-Jul-22	Housing - Data Quality 2022-23	No	6	0	4
25-Oct-22	Licensing 2022-23	Reasonable	0	0	4
10-Nov-22	IT Asset Inventory 2022-23	Limited	8	0	0
23-Jan-23	Health & Safety 2022-23	Limited	0	1	8
		TOTALS	**18**	**32**	**20**

Action Due = The agreed actions are due, but Internal Audit has been unable to ascertain any progress information from the responsible officer.

Being Implemented = The original action date has now passed and the agreed actions have yet to be completed. Internal Audit has obtained status update comments from the responsible officer and a revised action date.

Future Action = The agreed actions are not yet due, so Internal Audit has not followed the matter up.

Ashfield District Council – Audit Progress Report

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Risk Registers	0	0	1	0	0	0
ICT Performance Management	0	0	0	0	2	0
Fire Safety	0	0	0	0	1	0
Treasury Management & Banking Services	0	0	0	0	0	1
Data Quality & Performance Management	0	0	0	0	0	1
Information Governance	0	0	0	0	1	0
Management of Fraud Risk	0	0	0	0	1	8
People Management	0	0	0	0	0	5
Delegated Decisions	0	0	0	0	0	1
Teleworking Security	0	0	0	0	1	2
PCI Compliance in Organisational Transformation	0	0	0	0	0	2
Outdoor Recreation – Sports Bookings	0	0	0	0	0	1
Scrutiny	0	0	0	0	0	1
Accounting Systems 2021-22	0	0	0	0	0	3
Planning	0	2	1	0	0	0
Housing – Data Quality 2022-23	0	5	1	0	0	0
IT Asset Inventory 2022-23	0	1	7	0	0	0
Health & Safety 2022-23	0	0	0	0	0	1
TOTALS	**0**	**8**	**10**	**0**	**6**	**26**

Ashfield District Council – Audit Progress Report

Highlighted Recommendations

The following recommendations, that have not yet been implemented, are detailed for Committee's scrutiny.

Being Implemented Recommendations

Information Governance	**Rec No. 4**
Summary of Weakness / Recommendation	Risk Rating
Sensitive, personal data was being stored in locations which were not suitably restricted to only those officers with a genuine business need to access such information. We recommend that management take appropriate action to ensure that all personal, sensitive data is secured in files, within restrictive sub-folders, with access limited to only those officers who have a genuine business need to access such information.	Moderate Risk
Management Response/Action Details	Action Date
The IT Security Policy Framework is under review. As part of this review we will ensure it is updated to take account of GDPR requirements. Specifically, we will introduce the following measures to assist with ensuring access to data is suitably restricted to only those officers with a genuine business need to access such information: - Starters/Transfers/Leavers E-Form – to be completed by the Section Manager. This form will identify access rights of starters, amendments for staff transferring internally and identify when staff leave the Council. This will be used in conjunction/cross-references with the report received from HR on a quarterly basis. - E-Form for completion by Managers/Directors for folder access changes. - Introduction of new file structure guidelines and cascade through ELT/ALT, DMTs and MOD. - Provision of Group Access Permission lists on a quarterly basis to Service Managers for checking and confirmation/amendment. IT to meet with individual Managers to confirm, amend and clarify what is required of Managers as part of this new process.	30/06/2020
Status Update Comments	Revised Date
Actions have been taken to restrict folders and files. Internal Audit will be reviewing these actions as part of the ICT Key Controls audit. We are currently in the process of migrating documents to Sharepoint/Teams which will introduce private channels. This will make it easier for managers to check who has access to the data held in them.	30/06/2022

ICT Performance Management	**Rec No. 1**
Summary of Weakness / Recommendation	Risk Rating
Despite commitment to performance management in the Council's latest Technology Strategy, we could not find any documented performance management metrics and goals to support this. Similarly, performance metrics for IT did not appear to be subject to annual review, or agreed or monitored by the Council. We recommend that Management defines performance management metrics for the IT service, and implements policies and procedures for monitoring and reporting compliance. Metrics, goals and targets should also be subject to annual review.	Moderate Risk

Management Response/Action Details	Action Date
There is a review of the ICT Helpdesk due shortly where performance metrics will be defined and agreed.	01/09/2018
Status Update Comments	**Revised Date**
The Service Manager for ICT has updated audit that a prerequisite for this recommendation is the implementation of a new helpdesk system which will have appropriate reporting capabilities. The first version of the ICT Service Desk software is now in place but ICT still need to review its reporting capabilities. The post of Service Desk Team Leader is currently being advertised. The Service Manager for ICT has requested a further extension whilst the newly appointed service desk team leader investigates the implementation of the recommendation. To be resolved with the implementation of the House on the Hill service desk application.	30/11/2022

ICT Performance Management	**Rec No. 2**
Summary of Weakness / Recommendation	Risk Rating
Reviews of the team's performance in relation to the resolution of incidents and service requests did not appear to comply with a formal schedule, and evidence of previous reviews could not be provided as the actions/discussions were not documented in minutes. We recommend that Management defines a schedule for reviewing performance of incident and request resolution times, and ensures any agreed actions are documented in minutes which are retained.	Moderate Risk
Management Response/Action Details	Action Date
There is a review of the ICT Helpdesk due shortly where performance metrics will be defined and agreed.	01/09/2018
Status Update Comments	Revised Date
The Service Manager for ICT has updated audit that a prerequisite for this recommendation is the implementation of a new helpdesk system which will have appropriate reporting capabilities. The first version of the ICT Service Desk software is now in place but ICT still need to review its reporting capabilities. The post of Service Desk Team Leader is currently being advertised. The Service Manager for ICT has requested a further extension whilst the newly appointed service desk team leader investigates the implementation of the recommendation. To be resolved with the implementation of the House on the Hill service desk application.	30/11/2022

Teleworking Security	**Rec No. 2**
Summary of Weakness / Recommendation	Risk Rating
Accounts with Remote Desktop Gateway access permissions were not always being disabled in a timely manner for leavers, creating data protection risks. We recommend that management defines, documents and implements a more comprehensive approach to disabling network access for former employees or 3rd parties. This could include populating the account expiration date in advance, once a leavers date has been agreed with the employee to reduce the risk of administrative error.	Moderate Risk
Management Response/Action Details	Action Date
We will review the process. We do have quite comprehensive processes in place but it is still possible to miss people leaving in the short term (they should get detected later due to another process). We will review each part of the process to ensure they are being carried out properly and look at implementing the "expiration date" where possible.	01/10/2021
Status Update Comments	Revised Date
Process is to be documented and added to Service Desk guidelines. 3rd party accounts are not left active when not in use. It will be raised that we need a proper process in place once HR comes back into the Council.	30/09/2022

Fire Safety	**Rec No. 5**
Summary of Weakness / Recommendation	Risk Rating
Not all entrance doors to flats comply with Fire Safety Regulations. We recommend that the Council reviews all flat entrance doors to identify those which do not comply with Fire Safety Regulations, or those that have failed recent government tests. The Council should then take action to ensure the appropriately accredited fire safety doors are installed at the entrances to all flats.	Moderate Risk
Management Response/Action Details	Action Date
An assessment of all flat entrance doors has been completed and the results forwarded to the Assets & Investment Section for building into future door replacement programme(s). However, due to uncertainties around the manufacture, testing, certification and subsequent affected supply of composite fire doors, it is currently not possible to identify a definitive timescale for completion. The option to use alternative timber fire doors of the appropriate fire safety standards and specification are currently being looked into.	31/03/2020
Status Update Comments	Revised Date
Standard fire doors (majority); installations to commence 07/02/22. The works are not yet complete. We have continued to have difficulties in terms of supply to source doors which comply with the regulations and at a fair price and meet other requirements. We have also had difficulty with closing strengths of doors (which stopped us from fitting Sherwood Court doors previously). We are making progress in terms of sourcing suppliers and our Contractor, J Tomlinson are hoping to fit the remaining doors as follows:- • Leaseholder fire doors (Feb/March) • Sherwood Court doors (requiring additional works to the door heads and surrounds up to ceiling height (March/April) • Fire doors with sidelights (April/May).	31/05/2023

Ashfield District Council – Audit Progress Report

Management of Fraud Risk	**Rec No. 6**
Summary of Weakness / Recommendation	Risk Rating
The Council did not have trained fraud investigators with professional accreditation to review and investigate all areas of potential fraud. We recommend that the Council ensure they have access to fully trained fraud investigators, who can be called upon to investigate any areas of suspected fraudulent activity.	Moderate Risk
Management Response/Action Details	Action Date
The Council will consider how to access a suitably trained fraud investigator.	30/04/2022
Status Update Comments	Revised Date
Action still being progressed.	31/03/2023

Action Due

Planning	**Rec No. 2**
Summary of Weakness / Recommendation	Risk Rating
There were no processes in place that enabled management to monitor progress against tasks detailed on the Local Plan Work Programme. We recommend that management is provided with performance information, linking to the Local Plan Work Programme, from the Forward Planning Team on a regular basis.	Moderate Risk
Management Response/Action Details	Action Date
The team will be asked to provide a monthly report to the Assistant Director on a monthly basis.	31/07/2022
Status Update Comments	Revised Date

Planning	**Rec No. 1**
Summary of Weakness / Recommendation	Risk Rating
There was a lack of audit trail regarding changes made to the Local Plan Work Programme and the status of tasks completed. We recommend that the Forward Planning Team ensure that there is an audit trail of changes to the Work Programme and the status of each task. The Work Programme should be updated regularly.	Moderate Risk
Management Response/Action Details	Action Date
This will be developed in the interim, but a key focus of the new team Manager will be project management of the work programme	31/10/2022
Status Update Comments	Revised Date

Ashfield District Council – Audit Progress Report

Housing Data Quality 2022-23	**Rec No. 3**
Summary of Weakness / Recommendation	Risk Rating
The data in the component fields within the Capita Housing System did not accurately reflect the details of the Gas Servicing Certificates. The spreadsheets used as an alternative to the System contained blank fields and therefore were not a reliable audit trail for the gas servicing process. We recommend that the Council ensure the data in the component fields within the Capita Housing System accurately reflects details of the Gas Servicing Certificates. The Council should consider looking into an automated process for uploads of all boiler and flue data and consider system data quality checks.	Moderate Risk
Management Response/Action Details	Action Date
Current component data to be extracted and cleansed. Automated system is available moving forward and is being enhanced to work with the new MOT style anniversary servicing window. Creation of role to ensure Capita data is reconciled, accurate and relevant.	30/11/2022
Status Update Comments	Revised Date

Housing Data Quality 2022-23	**Rec No. 4**
Summary of Weakness / Recommendation	Risk Rating
There were three different components for electrical testing within the Capita Housing System, all containing inconsistent information and possible errors. We recommend that any duplicated components are made 'historical' in the System and that processes are put in place to ensure the current component is updated in a timely manner following electrical condition testing activities.	Moderate Risk
Management Response/Action Details	Action Date
Current component data to be extracted and cleansed. A new service contract has been introduced which will present new (rationalised) coding to capita. As also effects Decent Homes data detailed testing is required to ensure the integrity of the DHS calculation. Creation of role to ensure Capita data is reconciled, accurate and relevant.	31/10/2022
Status Update Comments	Revised Date

Ashfield District Council – Audit Progress Report

Housing Data Quality 2022-23	**Rec No. 5**
Summary of Weakness / Recommendation	Risk Rating
Data Matching and testing identified that the smoke detector component fields within the Capita Housing System do not accurately reflect the true status of the smoke detectors in Council properties. We recommend that the smoke detector components are updated to ensure they accurately reflect the status of each smoke detector and that a process is developed to ensure they continue to be updated. This process should ensure data quality checks are performed to ensure accuracy and completeness of smoke detector component data maintained within the Capita Housing System.	Moderate Risk
Management Response/Action Details	Action Date
Current component data to be extracted and cleansed. System is already partly automated; however acceleration of the programme means that both in-house and contractors are installing alarms meaning the use of both TM for in-house and a data loader for contractor. Creation of role to ensure Capita data is reconciled, accurate and relevant.	30/11/2022
Status Update Comments	Revised Date

Housing Data Quality 2022-23	**Rec No. 6**
Summary of Weakness / Recommendation	Risk Rating
The three components in the Capita Housing System relating to boilers and flue types contained information that was inconsistent for the majority of the Council's properties. We recommend that the Council ensures the data included in the Capita Housing System components for boiler and flue type is accurate and consistent with other data in the system.	Moderate Risk
Management Response/Action Details	Action Date
Current component data to be extracted and cleansed. Flue type is currently held at attribute level and will be moved to form part of the boiler make/model. Creation of role to ensure Capita data is reconciled, accurate and relevant.	30/11/2022
Status Update Comments	Revised Date

Ashfield District Council – Audit Progress Report

Housing Data Quality 2022-23	**Rec No. 10**
Summary of Weakness / Recommendation	Risk Rating
Access to the various Excel spreadsheets used to record component works such as checks, installations and replacements, had not been appropriately restricted. We recommend that management reviews the permissions on the folders storing the Excel spreadsheets that currently represent a master copy of component related works. Where possible, access to amend the data in the files should be significantly restricted, and other users where appropriate should only be given read only access permissions.	Moderate Risk
Management Response/Action Details	Action Date
All housing folders to be reviewed for permissions/restrictions NB needs to be measured against the move to SharePoint /Windows 365 as to the appropriate time to enact. IT to restrict access to housing specific folders (file holding areas) to a list of identified users, preferably belonging and controlled by departmentally assigned Active Directory group(s).	31/10/2022
Status Update Comments	Revised Date