central midlands audit partnership

Ashfield District Council – Audit Progress Report

Audit Committee: 24th June 2017

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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.

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central midlands audit partnership

Providing Excellent Audit Services in the Public Sector

Ashfield District Council – Audit Progress Report

Introduction

Role of Internal Audit

The Internal Audit Service for Ashfield District Council is now provided by the Central Midlands Audit Partnership (CMAP). The Partnership operates in accordance with standards of best practice applicable to Internal Audit (in particular, the Public Sector Internal Audit Standards – PSIAS). CMAP also adheres to the Internal Audit Charter.

The role of internal audit is to provide independent assurance that the organisation's risk management, governance and internal control processes are operating effectively.

Recommendation Ranking

To help management schedule their efforts to implement our recommendations or their alternative solutions, we have risk assessed each control weakness identified in our audits. For each recommendation a judgment was made on the likelihood of the risk occurring and the potential impact if the risk was to occur. From that risk assessment each recommendation has been given one of the following ratings:

- Critical risk.
- Significant risk.
- Moderate risk
- Low risk.

These ratings provide managers with an indication of the importance of recommendations as perceived by Audit; they do not form part of the risk management process; nor do they reflect the timeframe within which these recommendations can be addressed. These matters are still for management to determine.

Control Assurance Definitions

Summaries of all audit reports are to be reported to Audit Committee together with the management responses as part of Internal Audit's reports to Committee on progress made against the Audit Plan. All audit reviews will contain an overall opinion based on the adequacy of the level of internal control in existence at the time of the audit. This will be graded as either:

- **None** - We are not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks were not being well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Limited** - We are able to offer limited assurance in relation to the areas reviewed and the controls found to be in place. Some key risks were not well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Reasonable** - We are able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Comprehensive** - We are able to offer comprehensive assurance as the areas reviewed were found to be adequately controlled. Internal controls were in place and operating effectively and risks against the achievement of objectives were well managed.

This report rating will be determined by the number of control weaknesses identified in relation to those examined, weighted by the significance of the risks. Any audits that receive a None or Limited assurance assessment will be highlighted to the Board in Audit's progress reports.

Ashfield District Council – Audit Progress Report

Audit Coverage

Progress on Audit Assignments

The following table provides the Board with information on how audit assignments were progressing as at 30th June 2017.
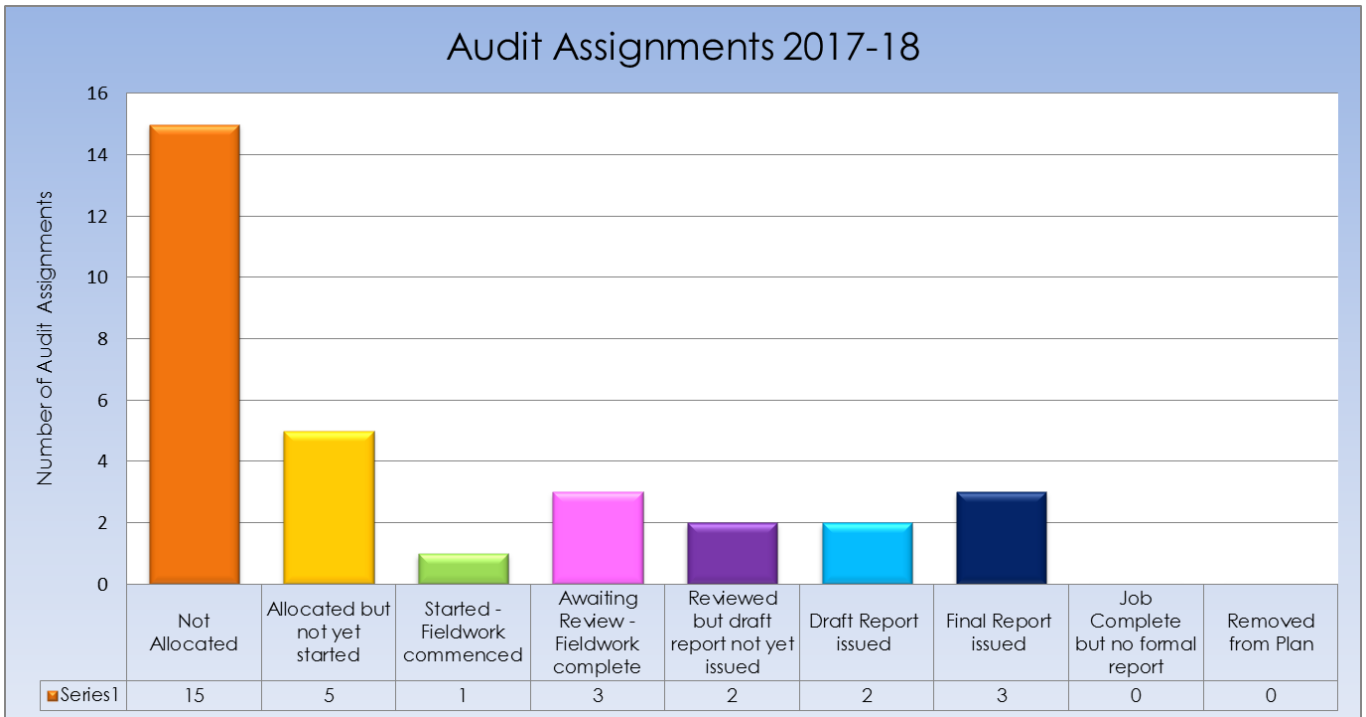
2017-18 Audit Plan Assignments	Type of Audit	Current Status	% Complete	Level of Assurance
Corporate Governance	Governance & Ethics Review	Allocated	5%	
Capital Accounting	Key Financial System	Not Allocated	0%	
Taxation	Key Financial System	Fieldwork Complete	80%	
Fixed Assets	Key Financial System	Not Allocated	0%	
Rent Accounting	Key Financial System	Not Allocated	0%	
Housing Benefit & Council Tax Support	Key Financial System	Not Allocated	0%	
Procurement (incl. Contracts Register)	Procurement/Contract Audit	Not Allocated	0%	
Right to Buy	Systems/Risk Audit	Fieldwork Complete	80%	
Depot Income	Systems/Risk Audit	Fieldwork Complete	80%	
Development Control	Systems/Risk Audit	In Progress	10%	
Markets	Systems/Risk Audit	Allocated	5%	
Homelessness	Systems/Risk Audit	Not Allocated	0%	
Housing Lettings/Allocations	Systems/Risk Audit	Not Allocated	0%	
Contract Management	Procurement/Contract Audit	Not Allocated	0%	
Rent Arrears	Systems/Risk Audit	Not Allocated	0%	
Responsive Maintenance/Voids (Agile Audit)	Systems/Risk Audit	Allocated	0%	
Health & Safety - Gas Safety	Systems/Risk Audit	Not Allocated	0%	
External Wall Insulation Project – Grant Funding	Grant Certification	Allocated	20%	
Health & Safety	Governance & Ethics Review	Not Allocated	0%	
ECINS Security Assessment	IT Audit	Allocated	10%	
ICT Infrastructure	IT Audit	Not Allocated	0%	
People Management	Systems/Risk Audit	Not Allocated	0%	
Payroll	Key Financial System	Not Allocated	0%	
Corporate Improvement/Transformation (incl. Commercialisation)	Governance & Ethics Review	Not Allocated	0%	
Audit Plan Assignments B/fwd from 2016-17				
Data Quality & Performance Management	Governance & Ethics Review	Draft Report	95%	
Main Accounting Systems 2016-17	Key Financial System	Draft Report	95%	
Creditors	Key Financial System	Reviewed	90%	
Housing Benefit & Council Tax Support 2016-17	**Key Financial System**	**Final Report**	**100%**	**Reasonable**
Private Sector Housing	**Systems/Risk Audit**	**Final Report**	**100%**	**Limited**
xPress Security Assessment	IT Audit	Reviewed	90%	
OPEN Housing/Contractor IT Security Assessment	**IT Audit**	**Final Report**	**100%**	**Reasonable**

5 more audit assignments finalised in March 2017 are also included in this report to Committee.

Ashfield District Council – Audit Progress Report

Audit Coverage

Progress on Audit Assignments Chart

Audit Assignments 2017-18

	Not Allocated	Allocated but not yet started	Started - Fieldwork commenced	Awaiting Review - Fieldwork complete	Reviewed but draft report not yet issued	Draft Report issued	Final Report issued	Job Complete but no formal report	Removed from Plan
Series1	15	5	1	3	2	2	3	0	0

Ashfield District Council – Audit Progress Report

Audit Coverage

Completed Audit Assignments

Between 1st March 2017 and 30th June 2017, the following audit assignments reached their conclusion:

1. Private Sector Housing.
2. Treasury Management 2016-17.
3. Council Tax 2016-17.
4. Non-Domestic Rates 2016-17.
5. Business Continuity & Emergency Planning .
6. Ethical Processes & Payments (Members & Officers).
7. Housing Benefit & Council Tax Support 2016-17.
8. Open Housing IT Security Assessment.

Private Sector Housing

Overall Assurance Rating: Limited

This audit focused on the administrative process for issuing Notices in relation to the enforcement of Housing Standards and ensuring they are recorded on the Local Land Charges Register. It also reviewed the Works in Default process, including ensuring Contract Procedure Rules are followed and costs are recovered.

From the 12 key controls evaluated in this audit review, 3 were considered to provide adequate control and 9 contained weaknesses. This report contained 8 recommendations, 4 of which were considered to present a low risk and 4 a moderate risk. The following issues were considered to be the key control weaknesses:

1. The Housing Health and Safety rating system procedure notes did not address how officers should document cases. Additionally, the Works in Default procedure notes stated that the 10% Administration charge should not be identified separately on the invoice. (Low Risk)

2. Testing identified that a number of Enforcement Notices were not issued and recorded correctly. (Moderate Risk)

3. Testing identified 6 occasions from a sample of 20, where Charges should have been placed on the Local Land Charges Register, but hadn't. (Moderate Risk)

4. Testing identified one case where an electricians report had not been retained on the case notes. (Moderate Risk)

5. There was not a central record for monitoring the status of cases to ensure key actions have been completed. (Moderate Risk)

6. Only one quote was obtained for a Works in Default case as further access to the property was denied. The decision to award the work on the basis of one quote was not documented. (Low Risk)

7. The Works in Default and Filthy and Verminous Premises Procedure notes did not include placing any unpaid costs on the Land Charges Register, to ensure payment could be received if and when the property was sold. (Low Risk)

8. Testing identified that recharges for Works in Default were not always raised where required and the cost was being borne in the balance sheet. Additionally, costs had been coded to the balance sheet when they were ineligible to be recharged. (Low Risk)

All 8 of the issues raised in this report were accepted and actions were agreed to address all issues. Six have already been implemented and the remaining two issues were due to be completed by 31st July 2017 and 31st August 2017.

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Treasury Management 2016-17

Overall Assurance Rating: Reasonable

This audit focused on reviewing the adequacy of the treasury management governance and performance arrangements, ensuring that adequate training and support was available to officers and Members and treasury management transactions were supported by appropriate evidence and approval.

From the 16 key controls evaluated in this audit review, 10 were considered to provide adequate control and 6 contained weaknesses. This report contained 5 recommendations, 3 of which were considered to present a low risk and 2 presenting a moderate risk. The following issues were considered to be the key control weaknesses:

1. The Council was not fully complying with the CIPFA Treasury Management code with respect to assessing the need for Member training. Member training was being provided by the Council's Treasury Management advisors only once every 4 years as part of their arrangement and then at intervals to be decided by the Council at their cost. The CIPFA Treasury Management self-assessment document had not been completed. (Low Risk)

2. A rollover of an investment with a Local Authority had been agreed verbally with the Corporate Finance Manager, but formal approval of the transaction was never obtained. (Moderate Risk)

3. Documentation to support Money Market Fund movements was being held in an inconsistent format and in hard-copy format. (Low Risk)

4. The reconciliation between Treasury Management activity and the General Ledger had not been undertaken since June 2016. (Moderate Risk)

5. Accountancy was not recording quotes obtained from brokers when preparing investment deals or borrowing arrangements and therefore had no point for comparison. (Low Risk)

All 5 of the issues identified were accepted. Positive action had already been taken to address 3 of the issues by the end of the audit. Further positive action in respect of 1 issue was agreed to be taken by 1st April 2017 with another to be addressed by 31st December 2017.

Council Tax 2016-17

Overall Assurance Rating: Comprehensive

This audit focused on considering and testing the robustness of controls in place for Council Tax processing and recovery actions.

From the 24 key controls evaluated in this audit review, 23 were considered to provide adequate control and 1 contained a weakness. This report contained 1 recommendations which was considered to present a low risk. Another 1 minor risk issue was also highlighted for management's consideration. The following issues were considered to be the key control weaknesses:

1. Lower valued aged debts were not subjected to monitoring and action taken to recover monies where special arrangements to pay were not adhered to (Low Risk)

The issue raised within this report was accepted. Management had already taken action to address the issue at the time of issuing the final report.

Non-Domestic Rates (NDR) 2016-17

Overall Assurance Rating: Comprehensive

This audit focused on considering and testing the robustness of controls in place for NDR processing and recovery actions.

From the 24 key controls evaluated in this audit review, 21 were considered to provide adequate control and 3 contained weaknesses. This report contained 3 recommendations, all of which were considered to present a low risk. The following issues were considered to be the key control weaknesses:

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1. The liability start date on Civica differed to the start date on the customer's notifications for 2 mobile business premises that were waiting for a rateable value decision from the Valuation Office, to enable bills to be raised. (Low Risk)

2. There were delays in processing data and reconciling the Valuation Office records to those held on Civica in 9 out of 36 cases during 2016 because only one officer had responsibility for processing NDR Valuation Office schedules. (Low Risk)

3. The Discretionary Relief review scheduled to take place during 2016-17 had not happened to date. (Low Risk)

All 3 of the issues raised within this report have been accepted. Management had taken action to address 1 of the issues at the time of issuing the final report. Management agreed to take action to address 1 of the issues by the end of April 2017 and the remaining issue by the end of May 2017.

Business Continuity & Emergency Planning

Overall Assurance Rating: Reasonable

This audit focused on the Council's compliance with the Civil Contingencies Act, specifically requirements for assessing risks, ensuring it can continue to operate following an emergency by maintaining an Emergency Plan and co-operating with other authorities. It also considered the methods for warning and informing the public.

The responsibility for the Housing stock was transferred to the control of the Council from 1st October 2016; therefore the Business Continuity and Emergency Procedures for Housing Services Directorate were in the old Ashfield Homes Ltd format and had not been integrated into the Council's Systems. The Business Continuity processes from Ashfield Homes are included in this audit and it is understood there are plans to complete a service review on the Risk Management, Business Continuity and Health & Safety functions, to understand which areas will need to be combined with the Council's systems.

From the 17 key controls evaluated in this audit review, 10 were considered to provide adequate control and 7 contained weaknesses. This report contained 7 recommendations, 4 of which were considered to present a low risk and 3 a moderate risk. The following issues were considered to be the key control weaknesses:

1. The Critical Functions for the Housing Services Directorate (formerly Ashfield Homes Ltd.) had not been reviewed since 2011 and rest of the Council since 2012. Also, following the removal of the Business Continuity Committee, Business Continuity had not been reported to CLT since March 2016. (Low Risk)

2. There were numerous Business Continuity Service Area Plans and Critical Plans that were not in place or up-to-date. The Business Continuity Plans for the Housing Services Directorate (formerly Ashfield Homes Ltd.) should have been reviewed at various dates in 2016, however this had not happened. (Moderate Risk)

3. The links from the Council's website to the Local Resilience Forum, Notts Prepared and preparing a Home Emergency Plan websites were no longer working. (Low Risk)

4. The red rated Critical Plans and Business Continuity Plans had not been included on the Resilience Direct Website. (Moderate Risk)

5. The Emergency Plan included contact information for employees who had since left the employment of the Council. (Low Risk)

6. Some Business Continuity Service Area Plans and Critical Plans did not include a section on recovery of the service. (Low Risk)

7. The Business Continuity Service Area Plan for the Communication Team was not up-to-date and essential information that would be used to inform the public in the event of an emergency would not be available. (Moderate Risk)

All 7 issues were accepted and 3 had already been implemented by the end of the audit. Three issues were to be completed by the end of April 2017. The remaining issue was agreed to be completed by 31st May 2017.

Ashfield District Council – Audit Progress Report

Ethical Processes & Payments

Overall Assurance Rating: Reasonable

This audit focused on reviewing the adequacy of members' and officers' ethical processes regarding interests, expenses, attendance, Members Allowance Scheme, Code of Conduct, and gifts & hospitality.

From the 21 key controls evaluated in this audit review, 13 were considered to provide adequate control and 8 contained weaknesses. This report contained 6 recommendations, 5 of which were considered to present a low risk and 1 a moderate risk. The following issues were considered to be the key control weaknesses:

1. Although the consequences of non-compliance with the Code of Conduct were discussed at the Members induction training, the Members Code of Conduct did not detail consequences of non-compliance. (Low Risk)

2. Evidence of the reminder issued to Members for them to complete the gifts and hospitality form and to update their declaration of interest documents had not been retained. (Low Risk)

3. Officers' approved disclosures of gifts and hospitality offered to them had not been added to the register since 2014. (Low Risk)

4. Employees were not aware of the requirement to disclose gifts or hospitality offered to them, irrespective of whether the gifts or hospitality was accepted. (Low Risk)

5. The declaration of interest forms for members were not being returned within the set time frame and Employee declaration forms were only being issued to employees above Grade E. Also employees were not being chased, to complete and return their declaration forms to HR for filing. (Moderate Risk)

6. Members had been paid mileage expenses at the incorrect mileage rate. (Low Risk)

All 6 issues were accepted and 2 had already been implemented by the end of the audit. The 4 remaining issues were agreed to be completed by end of March 2017, 1st April 2017, 1st May 2017 and 31st May 2017.

Housing Benefit & Council Tax Support 2016-17

Overall Assurance Rating: Reasonable

This audit focused on the information interfaced from the Department of Work and Pensions and HM Customs and Exercise, reviewing how this information is downloaded and used to calculate Housing Benefit & Council Tax Support.   The audit has also reviewed overpayments, including identifying, calculating overpayments and their classification.

From the 20 key controls evaluated in this audit review, 17 were considered to provide adequate control and 3 contained weaknesses. This report contained 2 recommendations, 1 of which was considered to present a low risk and the other a moderate risk. The following issues were considered to be the key control weaknesses:

1. There were shared user access logins to the Revenues system to enable reports to be filed logically in the spool manager and to identify the automatically updated information in the claim calculation. This left the Council unable to identity the officer carrying out the operation should an erroneous or fraudulent transaction be made. (Low Risk)

2. The procedures for documenting and obtaining sufficient evidence of the calculations of earning income had not always been followed. (Moderate Risk)

Both of the issues raised in this report were accepted and actions were agreed to address all issues, both had already been implemented by the end of the audit.

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Open Housing IT Security Assessment

Overall Assurance Rating: Reasonable

This audit focused on the security, configuration and management of the OpenHousing application and supporting server infrastructure, which included NODE220 – the live database server, NODE251 – the live application server, NODE252 – the Webspeed server, and NODE224 – the test and train database server.

We could not provide any assurance on the database level security for the OpenHousing database. At the time of testing nobody appeared to have direct DBA level access to query the database's security related tables, to show a list of database level accounts and corresponding permissions (e.g. those that would be defined in the _user, _oeusertable and _oslocal tables). The administrators had a degree of access over the data via a middle layer (Microsoft SSRS), as well as a query tool from within the application for the OpenHousing tables, but no direct account in the database to establish a direct connection with the security related tables.

As such we are unable to provide any degree of assurance that only authorised users have direct access to the database; that only authorised users have DBA level permissions in the database, and that there were no password vulnerabilities associated with these database level accounts..

From the 46 key controls evaluated in this audit review, 32 were considered to provide adequate control and 14 contained weaknesses. This report contained 10 recommendations, 7 of which were considered to present a low risk and 3 presenting a moderate risk. Another 1 minor risk issue was highlighted for management's consideration. The following issues were considered to be the key control weaknesses:

1. NODE252 (the application's Webspeed server) was not protected by any form of anti-virus or anti-malware protection. (Low Risk)

2. The FTP (file transfer protocol) service was enabled on NODE251, but did not appear to be serving any operational purposes in relation to the application. (Low Risk)

3. In over 140 cases, users had access to the cssapp or cssappspoolfiles shares on NODE251, but did not have a corresponding account in the OpenHousing application, which could ultimately mean unauthorised access to sensitive information. (Moderate Risk)

4. The sectiongroup_housing security group (approximately 190 members, of which 166 were enabled in AD (Active Directory) at the time of testing) had been granted FULL control over both the cssapp and cssspoolfiles share on NODE251, which would allow users to gain access to more restricted subdirectories such as those containing direct debit bank account information. (Moderate Risk)

5. Backups of the database were openly accessible to every user in the domain (over 1000 accounts) on the file share \\NODE220\cssbackups. Moderate Risk)

6. Systems Administrator functionality, e.g. access to update and create entries in USERS, EDTPWD, WEBOEUSER functions, had been granted to non-systems administrators, e.g. Senior Team Leader - Responsive Repairs, Quality Control Officer, and Finance Manager. (Low Risk)

7. A small number of users with job titles that did not appear to be rent related roles, had access to sensitive financial information via the DDSBANK function. This includes bank account name, number and sort-code. When verified with the systems administrator one of the users could not be justified. (Low Risk)

8. The application did not enforce data retention policies for all records processed. We were informed that some processes and routines included options to make records historic or in-active, however this was not consistent throughout the application. (Low Risk)

9. There had not been a recent review of security permissions assigned to users within application. Given the recent transition this could ultimately expose sensitive information to unauthorised access. (Low Risk)

10. The existing software licence agreement (which was in effect until the 31st March 2017) for the application stipulated a 70 concurrent user's agreement. However, at the time of testing,

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there were 291 accounts in the co-users table which did not have the disabled flag set. There also didn't appear to be active monitoring in place, nor any obvious functionality within the application to identify login sessions so we could monitor compliance against the terms of the agreement. (Low Risk)

All 10 of the issues raised were accepted and positive action had already been taken to address 5 of the issues raised by the end of the audit. The final 5 issues were to be addressed by the end of June 2017.

Audit Plan Changes

With the agreement of the Council's Deputy Chief Executive (Resources) in April 2017, changes were made to the Internal Audit Plan to address emerging risks identified by management.

- Arising from the Council's review of cash collections, concerns were raised about the income collection processes at the depot and a lack of audit coverage in the past.

- As a result of impending changes to staffing in the section, the Service Director requested coverage of the Council's Right to Buy process.

Accordingly, the Partnership Governance audit and the Outdoor Recreation audit have been withdrawn from the 2017-18 Plan and the time originally assigned to these audits will be utilised for a Depot Income audit and a Right to Buy audit.

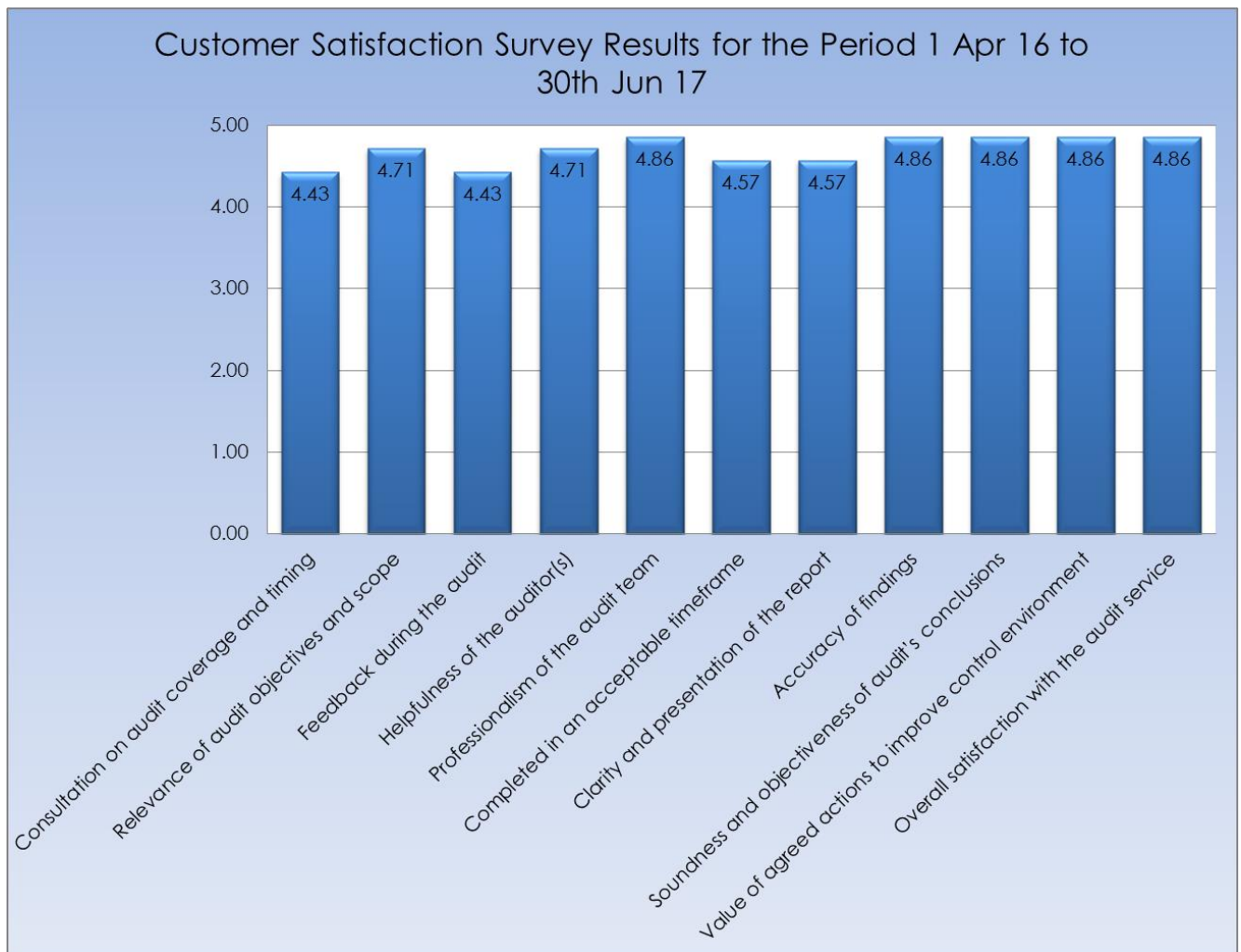# Ashfield District Council – Audit Progress Report

Audit Performance

Customer Satisfaction

The Audit Section sends out a customer satisfaction survey with the final audit report to obtain feedback on the performance of the auditor and on how the audit was received. The survey consists of 11 questions which require grading from 1 to 5, where 1 is very poor and 5 is excellent. The chart across summarises the average score for each question from the 7 responses received between 1st April 2016 and 30th June 2017. The overall average score from the surveys was 51.7 out of 55.

The overall responses are graded as either:

- Excellent (scores 47 to 55)
- Good (scores 38 to 46)
- Fair (scores 29 to 37)
- Poor (scores 20 to 28)
- Very poor (scores 11 to 19)

Of the 7 responses received to date, 6 categorised the audit service they received as excellent and the other 1 as good.

Customer Satisfaction Survey Results for the Period 1 Apr 16 to 30th Jun 17

Question	Score
Consultation on audit coverage and timing	4.43
Relevance of audit objectives and scope	4.71
Feedback during the audit	4.43
Helpfulness of the auditor(s)	4.71
Professionalism of the audit team	4.86
Completed in an acceptable timeframe	4.57
Clarity and presentation of the report	4.57
Accuracy of findings	4.86
Soundness and objectiveness of audit's conclusions	4.86
Value of agreed actions to improve control environment	4.86
Overall satisfaction with the audit service	4.86

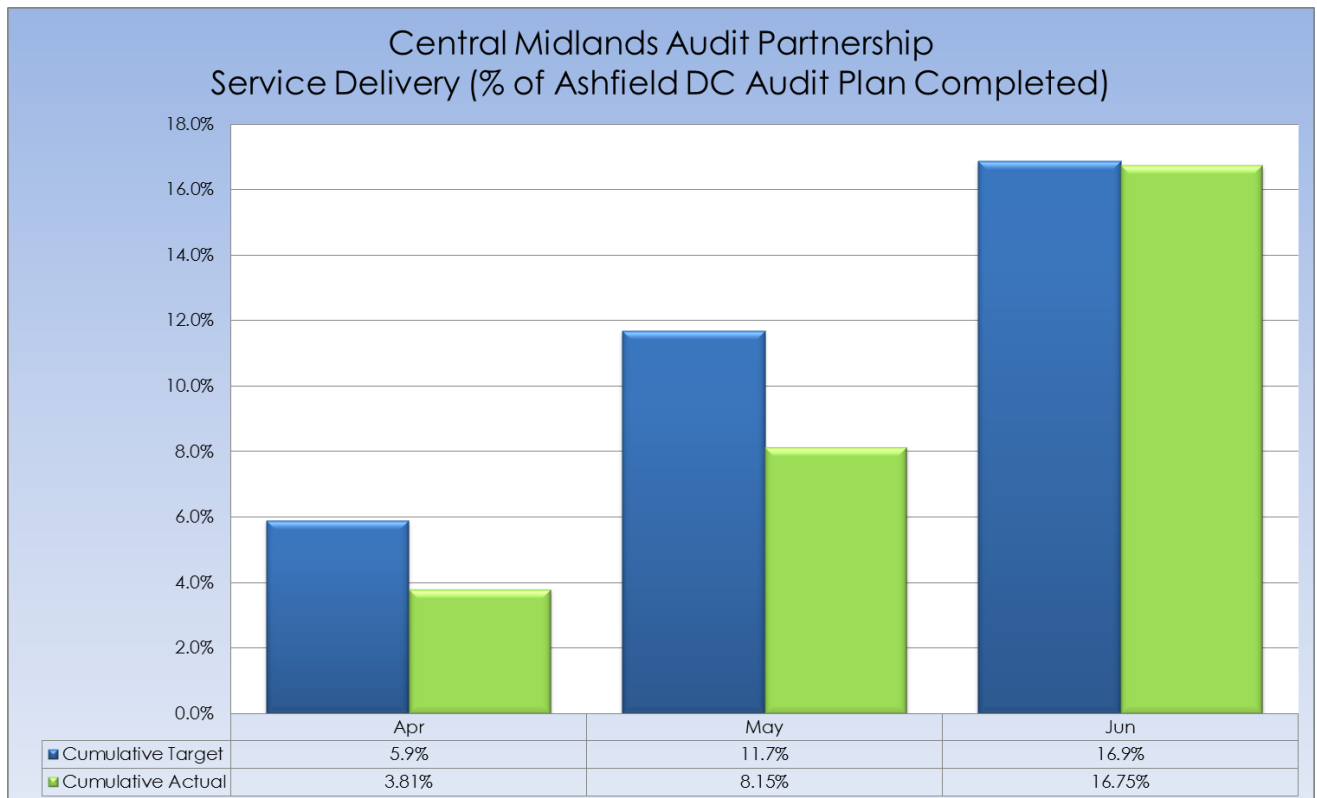# Ashfield District Council – Audit Progress Report

Audit Performance

Service Delivery (% of Audit Plan Completed)

At the end of each month, Audit staff provide the Audit Manager with an estimated percentage complete figure for each audit assignment they have been allocated. These figures are used to calculate how much of each Partner organisation's Audit Plans have been completed to date and how much of the Partnership's overall Audit Plan has been completed.

Shown across is the estimated percentage complete for Ashfield DC 2017-18 Audit Plan (including incomplete jobs brought forward) after approximately 3 months of the Audit Plan year.

The monthly target has been profiled to reflect the expected productive time available each month, but still assumes that time will be spent evenly over each partner organisation in proportion with their contributions which is not always the case.

Central Midlands Audit Partnership
Service Delivery (% of Ashfield DC Audit Plan Completed)

	Apr	May	Jun
Cumulative Target	5.9%	11.7%	16.9%
Cumulative Actual	3.81%	8.15%	16.75%

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Recommendation Tracking

Follow-up Process

The Council has operated its own procedure for monitoring the implementation of agreed Audit recommendations. This process will now be undertaken by Internal Audit.

Internal Audit has developed a bespoke system whereby emails, automatically generated by our recommendations database, can be sent to officers responsible for action where their recommendations' action dates have been exceeded. The emails request an update on each recommendation's implementation status, which will be fed back into the database, along with any revised implementation dates.

Each recommendation made by Internal Audit will be assigned one of the following "Action Status" categories as a result of our attempts to follow-up management's progress in the implementation of agreed actions. The following explanations are provided in respect of each "Action Status" category:

- **No Progress Information** = Action is due and Audit has been unable to ascertain any progress information from the responsible officer.
- **Future Action Date** = Action is not due yet, so Audit has not followed up.
- **Implemented** = Audit has received assurances that the agreed actions have been implemented.
- **Superseded** = Audit has received information about changes to the system or processes that means that the original weaknesses no longer exist.
- **Being Implemented** = Management is still committed to undertaking the agreed actions, but they have yet to be completed. (This category should result in a revised action date)
- **Risk Accepted** = Management has decided to accept the risk that Audit has identified and take no mitigating action.

Implementation Status Details

Reports to the Board are intended to provide members with an overview of the current implementation status of all agreed actions to address the control weaknesses highlighted by audit recommendations made between 1st April 2016 and 30th June 2017:

	Implemented	Being Implemented	Risk Accepted	Superseded	No progress information	Future Action Date	Total
Low Risk	57	15	2	0	0	4	**78**
Moderate Risk	10	6	0	0	0	2	**18**
Significant Risk	0	0	0	0	0	0	**0**
Critical Risk	0	0	0	0	0	0	**0**
Totals	**67**	**21**	**2**	**0**	**0**	**6**	**96**

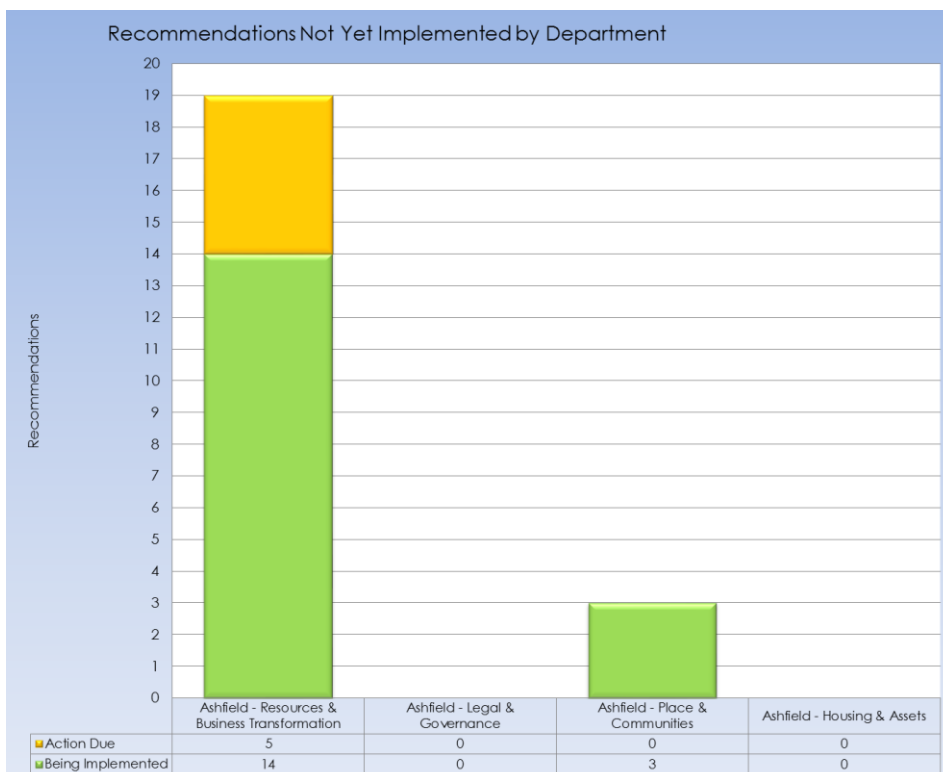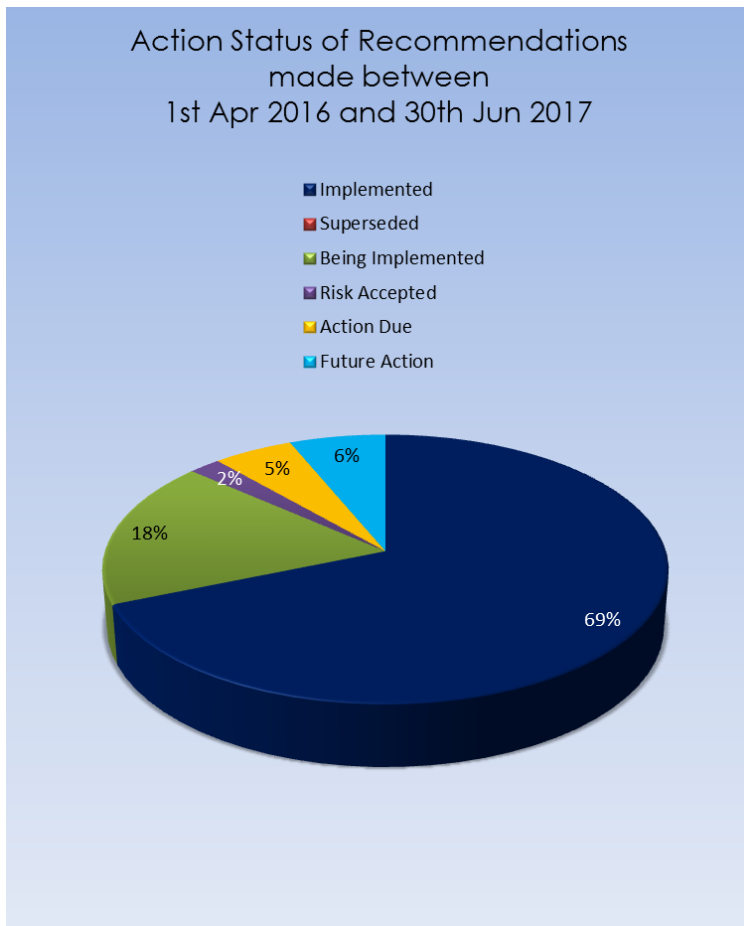The table below shows those recommendations not yet implemented by dept.

Recommendations Not Yet Implemented	Resources & Business Transformation	Legal & Governance	Place & Communities	Housing & Assets	Totals
Being Implemented	18	0	3	0	**21**
No progress information	0	0	0	0	**0**
	18	**0**	**3**	**0**	**21**

Internal Audit has provided Committee with summary details of those recommendations still in the process of 'Being Implemented' and those that have passed their due date for implementation. We will provide full details of any moderate, significant or critical risk issues where management has decided not to take any mitigating actions (shown in the 'Risk Accepted' category above). Both of the risk accepted issues shown above have already been reported to this Committee.

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Recommendation Tracking

Implementation Status Charts

Action Status of Recommendations made between 1st Apr 2016 and 30th Jun 2017

- Implemented
- Superseded
- Being Implemented
- Risk Accepted
- Action Due
- Future Action

69%, 18%, 2%, 5%, 6%

Recommendations Not Yet Implemented by Department

	Ashfield - Resources & Business Transformation	Ashfield - Legal & Governance	Ashfield - Place & Communities	Ashfield - Housing & Assets
Action Due	5	0	0	0
Being Implemented	14	0	3	0

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Recommendation Tracking

Highlighted Recommendations

We have included this section of this report to bring recommendations to your attention for the following reason:

- Any Moderate, Significant or Critical risk recommendations (either being implemented or with no response) that have passed their original agreed implementation date.

- Any Low risk recommendations still being implemented where it has been more than a year since the original agreed implementation date or those with no response where it has been more than 3 months since the original agreed implementation date.

Resources & Business Transformation

Business Continuity & Emergency Planning

Control Issue 2 - There were numerous Business Continuity Service Area Plans and Critical Plans that were not in place or up-to-date. The Business Continuity Plans for the Housing Services Directorate (formerly Ashfield Homes Ltd.) should have been reviewed at various dates in 2016, however this had not happened.

Risk Rating – Moderate Risk

Status Update - Nearly there with all BC service plans but now cross referencing the critical functions and identifying gaps. The exception report on BC service plans didn't go to CLT as was waiting for the Critical functions to be attached. There is a cross checking exercise matching the critical functions identified in BC Service plans against the actual plans and also where they have previously been rated (RAG). Despite repeated chasing plans are not forthcoming and therefore the programme of testing is being implemented - firstly to underpin the robustness of the BC programme but also to identify weaknesses and where additional plans may be required.

Original Action Date   30 Apr 17   Revised Action Date   31 Oct 17

Control Issue 4 - The red rated Critical Plans and Business Continuity Plans had not been included on the Resilience Direct Website.

Risk Rating – Moderate Risk

Status Update - Nearly there with all BC service plans but now cross referencing the critical functions and identifying gaps. The exception report on BC service plans didn't go to CLT as was waiting for the Critical functions to be attached. There is a cross checking exercise matching the critical functions identified in BC Service plans against the actual plans and also where they have previously been rated (RAG). Despite repeated chasing plans are not forthcoming and therefore the programme of testing is being implemented - firstly to underpin the robustness of the BC programme but also to identify weaknesses and where additional plans may be required.

Original Action Date   31 May 17   Revised Action Date   31 Oct 17

Control Issue 7 - The Business Continuity Service Area Plan for the Communication Team was not up-to-date and essential information that would be used to inform the public in the event of an emergency would not be available.

Risk Rating – Moderate Risk

Status Update - Plan will be worked on with Corporate Communications to ensure that it is fit for purpose and up-to-date.

Original Action Date   30 Apr 17   Revised Action Date   31 Aug 17

Ashfield District Council – Audit Progress Report

Ethical Processes & Payments

Control Issue 3 - The declaration of interest form for members were not being returned within the set time frame and Employee declaration forms were only being issued to employees over Grade E. Also employees were not being chased, to complete and return their declaration forms to HR for filing.

Risk Rating – Moderate Risk

Status Update - Forms have been circulated to all employees (either via email or via mail) and we are now collating those forms. The Director has been regularly provided with reports outlining those forms outstanding for circulation to managers to chase their return. Former Ashfield Homes' employees are not being chased as they are not on the ADC code of conduct.

Original Action Date   1 May 17   Revised Action Date   30 Jun 17

Email Security

Control Issue 1 - There were no formal schedules in operation for doing test restores of the Exchange servers and mailbox databases. Problems with mailbox database backup procedures or backup media are often not discovered until after a recovery of a mailbox, or database is needed.

Risk Rating – Moderate Risk

Status Update - We are currently in the process of upgrading the Arcserve UDP backup system from v6.0 to v6.5. Part of this upgrade will be to implement Arcserve RHA 16.5 (Replication and High Availability). This will give us the capability of maintaining a "quiesced" version of a server. Once the backups have completed for a server they are applied to the HA version. Tests can be performed on this version to ensure it is updated and working, and in the event of a DR situation we could switch to the HA version and continue use of email, calendars etc.

Original Action Date   31 Mar 17   Revised Action Date   30 Jun 17

Place & Communities

Safeguarding

Control Issue 5 - Review of HR recruitment checks done for 10 new starters identified 3 cases where there was no evidence that the recruitment checking procedures had been followed.

Risk Rating – Moderate Risk

Status Update – No Response Received

Original Action Date   31 Mar 17   Revised Action Date   n/a

Ashfield District Council – Audit Progress Report

Status of Previous Audit Recommendations

Recommendations Not Implemented

There were a number of Audit Recommendations that were issued and agreed prior to Ashfield District Council joining the Central Midlands Audit Partnership. These recommendations have continued to be monitored via the Covalent system.

As there is only one legacy recommendation remaining in the Covalent system, I have chosen to provide Audit Committee with full details of this until it is cleared.

Additionally, two legacy recommendations remain outstanding relating to Ashfield Homes Ltd. These also continue to be monitored and details are provided on the following pages.

Ashfield District Council – Audit Progress Report

DCE/AUD - Audit Recommendations - Full Outstanding

All Audit Recommendations

Service Director – Corporate

Category	IT Governance				
Recom. No.	**Recommendation**	**Risk Factor (1 High, 3 Low)**	**Impl. Date**	**Status**	**Progress Bar**
AUD/1516 - 06/01	The ICT Development Group report annually to the CLT and Members on the extent to which ICT goals and priorities for the preceding year have been achieved and on any lessons that need to be applied to achieve strategically successful delivery going forward	2	31-Mar-2017	▶	80%
	Response				
	Accepted				
	Manager				
	Craig Bonar; Robert Mitchell				
	21-April-2017	Annual CLT developments report completed- to be reported to Transformation and Efficiency Board then CLT			
Comment History	06-Feb-2017	Both a backward and forward report on priorities and actions to be presented to TEP Board in March; which in turn is reported to CLT/XLT			
	17-Oct-2016	There will be a report to the October TEP Board which will then be reported to CLT. TEP Board has replaced the ICT Development Group for the purpose of submitting and monitoring ICT/Technology development			

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Ashfield Homes Ltd – Outstanding Recommendations

	Report	Recommendation	Responsible officer	Due date	Update
C	Welfare Reform 15/16-08	The report written previously on how the Company plan to handle a roll out of the Universal Credit scheme is reviewed and submitted to Senior Management and Council for information.	Temporary Senior Housing Operations Manager (Housing)	30/10/16	The report is being revisited to review the proposals moving forward to manage the project. There are no dates at present for wider roll out of UC. This issue has been raised and discussed at Welfare Reform Board Meetings (ADC and AHL). Update 14/11/2016 – As there is no planned wider roll out of UC at present, the report has not been revisited. This cannot be revisited and the proposals updated until we have a clear date moving forward. This can be raised at the next Welfare Reform meeting in December 2016. Update 09/03/2017 – The Council and Company have now amalgamated so the issue is now being approached corporately. The Council has an agreement with DWP to assist customers to apply for Universal Credit, which is being rolled out to Ashfield for working age claimants in 2018. The Council's future approach will be developed through the Welfare Reform Group which meets quarterly and produces an action plan to deal with the wide aspects of Welfare Reform. Update 10/07/2017 - The wider roll out of Universal Credit has been confirmed as August 2018. There is no action plan in place at present. It is due to be presented to the next meeting in September 2017 (date to be confirmed) following the production of this and liaison with the Director of Housing and Assets (Paul Parkinson)
C	Housing Maintenance 15/16-10	The full review of the in-house Schedule of Rates is given an end target date, and progress is monitored and reported to SMT.	Responsive and Voids Maintenance Manager& Support Services Manager	31/03/18	A full programme is in place to complete the review of the schedule of rates. Progress of this will be monitored through Senior Management Team Update 16/11/2016 Potentially looking at buy off the shelf paperless system and therefore changing the system altogether. Update 01/02/2017 – No further updates. Any action has been put on hold as there is a service review underway. Update 10/07/2017 – The full review of in-house Schedule of Rates is now in progress.