

AGENDA MANAGEMENT SHEET

Report Title: Internal Audit Recommendation Update and Ammendments

Name of Committee: Audit and Ethics Committee

Date of Meeting: 12 December 2024

Report Director: Chief Officer - Finance and Performance

Portfolio: Finance, Performance, Legal and Governance

Ward Relevance: None

Prior Consultation: Chief Officer - Finance and Performance, Leadership team

Contact Officer: Richard Green - Interim Corporate Assurance Manager
richard.green@rugby.gov.uk

Public or Private: Public

Report Subject to Call-In: No

Report En-Bloc: No

Forward Plan: No

Corporate Priorities: This report relates to the following priority(ies):
 Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C)
 Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E)
 Residents live healthy, independent lives, with the most vulnerable protected. (HC)
 Rugby Borough Council is a responsible, effective and efficient organisation. (O)
[Corporate Strategy 2021-2024](#)
 This report does not specifically relate to any Council priorities but

Summary: The report sets out progress in updating and completing audit recommendations from 2020 to date.

Financial Implications:	None
Risk Management/Health and Safety Implications:	Outstanding recommendations can create a false or negative impact on the actual performance indicators and cause less confidence in the services provided.
Environmental Implications:	None
Legal Implications:	None
Equality and Diversity:	No implications
Options:	None
Recommendations:	The progress in addressing older recommendations is noted.
Reasons for Recommendations:	To comply with the requirements of the terms of reference of the Audit & Ethics Committee, and to discharge the Committee's responsibilities under the Constitution.

Audit and Ethics Committee - 12 December 2024

Recommendations update and amendments

Public Report of the Chief Officer - Finance and Performance

Recommendations:

The progress in updating and amending older recommendations is noted.

1. Introduction

- 1.1 The purpose of this report is to set out progress in updating and amending the status of the older recommendations made as part of the 2020- 2023 audit plans.

Although outstanding recommendations are issued to the relevant managers for update on a monthly basis an exercise has been undertaken to address those that have remained outstanding since 2020-2023

2. Summary of Audit Work

- 2.1 All recommendations either outstanding or not yet due were raised with the relevant manager and Chief Officer as appropriate to determine the current status.

3. Revisions to the recommendations

- 3.1 Through detailed discussions and gathering evidence there were

All outstanding or not due yet recommendations from 2020 to 2023 were reviewed in detail, to determine the actual current position.

This resulted in 23 recommendations being accepted as completed, no longer applicable due to changes to system or processes or superseded by another review.

11 were left as overdue but being implemented in the future
4 remained as not yet due but applicable for actioning.

The attached table at Appendix 1 details the responses and actions taken in respect of these recommendations.

Name of Meeting: Audit and Ethics Committee
Date of Meeting: 12 December 2024
Subject Matter: Recommendations update and revisions
Originating Department: Finance and Performance

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

Internal Audit Recommendations Update and amendments

Appendix 1

All outstanding (including not yet due) 2020-2023

Audit	Code	Action	Due Date	Latest Note Date	Latest Note	Risk Rating	Follow up
Right to Buy	RTB22/23.2	Procedure notes & process map be updated to reflect current processes and systems; recommend that processes are extended to incorporate the legal process. Procedures should include timescales that all depts involved in the process need to work toward	30-Sep-2024	20-Aug-2024	The Housing Services Manager has advised that a Housing Coordinator is to complete this work by 30-Sep-24. Date extended.	Medium Risk	HSM advised that the document is currently being updated following budget changes
Right to Buy	RTB22/23.4	A clear policy on how to calculate the Cost Floor figure be produced along with a process to ensure that all relevant costs are included in the final calculations.	30-Sep-2024	20-Aug-2024	The Housing Services Manager has advised that a Housing Coordinator is to complete this work by 30-Sep-24. Date extended	Medium Risk	HSM sent through the policy and guidance notes – rec closed .

Audit	Code	Action	Due Date	Latest Note Date	Latest Note	Risk Rating	Follow up
Housing Rent Arrears 2021/22	HRA21/22.9	Ensure former tenant arrears are understood and addressed appropriately. This work needs to take place in parallel with managing current tenant arrears.	31-Aug-2024	02-Oct-2024	FTA procedure has been developed and needs to be tested. Due date fixed and moved to 31-Dec-2024 with the agreement of the Housing Services Manager and Interim Corporate Assurance Manager.	High Risk	HSM has sent through the Arrears and Write Offs policy and guidance notes which confirm the process for managing former tenant arrears and the procedure for determining write offs – rec closed .
Housing Rent Arrears 2021/22	HRA21/22.6	Ensure the Rent Arrears Policy is updated annually including garages and temporary accommodation.	30-Sep-2024	16-Aug-2024	Housing Services Manager has advised that new arrears procedures for current HRA tenants have been developed. Having revised and 'bedded in' this new approach, elements of this procedure are now being applied to other tenures	Low Risk	HSM has sent through the draft policy which is currently out for internal consultation before being signed off,

Audit	Code	Action	Due Date	Latest Note Date	Latest Note	Risk Rating	Follow up
					including Former Tenants / Garages / Temporary accommodation. It is expected that these will be in place by 30-Sep-2024 (at the latest)		
Housing Rent Arrears 2021/22	HRA21/22.7	Publish a write-off policy for rents and ensure write-offs are carried out in accordance with the policy.	31-Dec-2024	02-Oct-2024	The Housing Services Manager has advised that the draft write off procedure has been written and is awaiting production of a report. Due date fixed and moved to 31-Dec-2024 with agreement of Housing Services Manager and Interim Corporate Assurance Manager.	 Medium Risk	HSM As Write off policy/process sent through as part of HRA21/22.9 action has been completed.

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Food Safety 2022/23	FS22/23.2	Review and update the Council's Enforcement policy.	31-Oct-2024	01-Aug-2024	Due to June Cabinet meeting being cancelled this action has been extended to the end of October as the next scheduled meeting is in September.	 Low Risk	Agreed to close as forms part of action below.
Food Safety 2022/23	FS22/23.1	A new service plan for the 2024/25 year will be completed by the EHCSM which will be approved by Council	31-Mar-2025	19-Jul-2024	Chief Officer confirmed that the service plan for 24/25 was produced but was not approved by Cabinet. Meeting schedules mean that little value in being presented late in the current year. New manager starts in Jan 2025 so action due date amended to reflect creation and approval of a 2025/26 plan.	 Medium Risk	Agreed that this amendment to due date will be the final.

Audit	Code	Action	Due Date	Latest Note Date	Latest Note	Risk Rating	Follow up
Corporate Credit Cards	CCC22/23.7	Credit card request forms to be scanned into electronic records as standard practice. Longer term, paper-based forms should be replaced with electronic forms / signatures (where possible)	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager. 04-Jun-2024 The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Low Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.
Corporate Credit Cards	CCC22/23.8	The annual check of EPay authorisation financial limits against the authorised signatory listings and Agresso authorisation limits should be formally recorded and evidenced.	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager RH, 04-Jun-2024 The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Low Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.
Corporate Credit Cards	CCC22/23.9	The list of RBC cardholders should be reviewed and streamlined to ensure there are no more cardholders than is necessary.	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Low Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.
Corporate Credit Cards	CCC22/23.1	Financial instructions to be updated, and formalise credit card procedures for physical cards and use of EPay to be produced. Cont...	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Medium Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.
Corporate Credit Cards	CCC22/23.2	Clear & comprehensive documented procedures to be put in place for physical credit card payments (or incorporated within Financial Instructions, as considered appropriate). Cont...	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Medium Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.

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Corporate Credit Cards	CCC22/23.3	Reminders should be issued to staff that credit card request forms should be completed for all physical card payments & all forms should be submitted timely to Finance & non compliance or misuse will be potentially treated as a disciplinary defence. Cont.	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Medium Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.
Corporate Credit Cards	CCC22/23.4	Management to explore with Lloyds EPay whether further customisations are now possible, since its implementation in 2018/19 Completion of the description fields becomes mandatory to process the payment. Cont...	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Medium Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.
Corporate Credit Cards	CCC22/23.5	Ensure that all physical credit card transaction requests are submitted for approval by a separate authorised signatory in advance of a payment being made. Cont...	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manag The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Medium Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.
Corporate Credit Cards	CCC22/23.6	Financial Procedure Rules / Financial Instructions should be updated and republished, or a dedicated policy developed to include formalised processes to ensure credit card purchases are made with a consideration of value for money. Cont...	30-Jun-2024	30-Jul-2024	30-Jul-2024 Update requested from Finance Manager The new Corporate Credit Card Policy is still awaiting sign off by the Leadership team and will incorporate many of the recommendations outstanding.	 Medium Risk	Agreed actions to be closed as Policy is included in the Financial Instructions which has been seen by LT.

Audit	Code	Action	Due Date	Latest Note Date	Latest Note	Risk Rating	Follow up
Treasury Management 2021/22	TM21/22.1	Process notes should be documented for arranging both Investments & Borrowing.	30-Sep-2022	16-Aug-2024	The Lead Accountant has advised that they are reviewing the process notes and will also be getting input from the audit currently being completed. He anticipates them being completed by the end of October.	 Low Risk	Action cancelled as new Treasury Management Audit 24/25 recommendation supersedes and replaces this.

Audit	Code	Action	Due Date	Latest Note Date	Latest Note	Risk Rating	Follow up
Data Protection / Records Management 22/23	DP22/23.6	Information Asset Owner roles and responsibilities should be documented and communicated to all relevant staff.	01-Nov-2024	25-Jul-2024	Chief Officer for Communications and Digital has advised that this should be going to the Cabinet/Council for approval at the end of September.	 Low Risk	Being addressed by new structure (i.e. new DPA consultant). Updated RPMS
Data Protection / Records Management 22/23	DP22/23.2	Management to ensure the creation of a Data Classification Policy and that this is distributed to all relevant staff via a communications exercise.	01-Nov-2024	25-Jul-2024	Chief Officer for Communications and Digital has advised that this should be going to the Cabinet/Council for approval at the end of September.	 Medium Risk	Being addressed by new structure (i.e. new DPA consultant). Updated RPMS
Data Protection / Records Management 22/23	DP22/23.3	An annual exercise should be performed requiring Information Asset Owners to review the Record of Processing Activities spreadsheets and confirm that the information is still up-to-date and valid.	30-Jun-2024	06-Sep-2024	Update from CCIM to advise that this review has not been completed as anticipated. The Information Governance Group is to review how best to complete this process at its next meeting.	 Medium Risk	Being addressed by new structure (i.e. new DPA consultant). Updated RPMS
Data Protection / Records Management 22/23	DP22/23.4	Management to create and distribute a Data Retention Policy.	01-Nov-2024	25-Jul-2024	Chief Officer for Communications and Digital has advised that this should be going to the Cabinet/Council for approval at the end of September.	 Medium Risk	Being addressed by new structure (i.e. new DPA consultant). Updated RPMS

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Data Protection / Records Management 22/23	DP22/23.5	Management should ensure a regular, at least annual, process is introduced requiring that Information Asset Owners review retention periods for the data they own and ensure these are accurate and up-to-date.	01-Nov-2024	06-Sep-2024	The CCIM has advised that this is part of the new data protection policy awaiting approval. The approval process is being led by the SIRO and the Information Governance Group	 Medium Risk	Being addressed by new structure (i.e. new DPA consultant). Updated RPMS
Data Protection / Records Management 22/23	DP22/23.8	Management to create a Data Disposal Policy/ procedure. This could potentially be incorporated into the recommended Data Retention Policy.	01-Nov-2024	25-Jul-2024	Chief Officer for Communications and Digital has advised that this should be going to the Cabinet/Council for approval at the end of September.	 Medium Risk	Being addressed by new structure (i.e. new DPA consultant). Updated RPMS
Data Protection / Records Management 22/23	DP22/23.9	Management to review and update the required policies.	01-Nov-2024	25-Jul-2024	Chief Officer for Communications and Digital has advised that this should be going to the Cabinet/Council for approval at the end of September and to the Management Team in October	 Medium Risk	Being addressed by new structure (i.e. new DPA consultant). Updated RPMS

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Counter Fraud Framework 22/23	CFF22/23.3	To ensure that the Counter-fraud culture is embedded across the Council, fraud awareness training should take place and capture all relevant staff. See description.	31-Dec-2024	10-Apr-2024	A new suite of training programmes is being implemented and Fraud awareness is likely to be included. Update 13-Nov-2024 – This wasn't available so now looking to source from an external provider.	 Medium Risk	working on new IT based solution

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Workforce Training	WT22/23.8	Consider archiving old documents on SharePoint and ensuring the date of the document is clear or creating a manager area on SharePoint for all important documents.	02-Jan-2025	10-Jan-2024	<p>Update received 09-Jan-2024: 'Regarding the policy updates, we have managed to update/introduce the following policies:</p> <ul style="list-style-type: none"> • Organisational Change – NEW • Dignity At Work – NEW (awaiting approval in February) • Agency Workers Policy – NEW (awaiting approval in February) • Disciplinary Policy – (just updated, need to share with JUCF and LT) • Absence Management Policy – (just updated, need to share with JUCF and LT) <p>We have appointed an Employee Relations Lead (FTC for 12 months) who started yesterday, and one of her projects is to update all of our remaining policies and templates, guidance notes etc.'</p> <p>Progress therefore moved on 25% and extension to end of year agreed to give newly appointed ERL time to complete the review of documents/policies.</p>	 Low Risk	<p>Agreed to close action as consideration has been given and full review of all policies is underway.</p>

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Equal Pay & Single Status 20/21	EP20/21.6	Reviews of Market Supplements should be completed prior to the end of the three year time period and referred to SMT for consideration and approval, even when there is no increase to be applied.	30-Apr-2025	11-Jan-2024	Response confirmed that MS are to be considered as part of a potential wider overall review of pay during 2025. Due date extended to end of April 2025 Agreed	 Medium Risk	See latest note

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Equal Pay & Single Status 20/21	EP20/21.8	HR Guidance notes should be produced to document the criteria for consideration of, the process for approval (including funding agreement from Finance) and review of MSs as a minimum. Where a rationale for adopting a different approach to the parameters.	30-Apr-2025	11-Jan-2024	Response confirmed that MS are to be considered as part of a potential wider overall review of pay during 2025. Due date extended to end of April 2025 Agreed	 Medium Risk	See latest note

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Voids Review	VDS22/23.2	Start the allocation process as soon as outgoing tenant gives notice	31-Mar-2025	02-Oct-2024	HABT Manager confirmed that they are pre-allocating properties at the moment but they are planning to submit the new policy for approval in March. He has confirmed the due date as 31-Mar-2025	 Low Risk	Closed as completed following discussion with HABT Manager
Voids Review	VDS22/23.4	Send change of circumstance emails/letters to all customers on the waiting list on an annual basis	31-Mar-2025	02-Oct-2024	The HABT manager has confirmed that HABT have just started to complete re-registrations and transfers but the process needs time so they can review its robustness and effectiveness. Completing this process aligns with the new allocations policy being taken to Council in March. He has requested a due date of the end of March in line with this.	 Low Risk	Action closed as HABT manager confirmed re-registrations have been completed since July/August 2024.

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Service Desk Management 21/22	SDM21/22.2	Complete a documented review of Service Desk channels including review and testing of the chat/bot feature.	31-Mar-2024	07-Oct-2024	IT and Digital Services manager has explained that they review the service desk channels on a monthly basis, and are not intending to bring in a chatbot feature and the current Service Delivery Audit which has been completed and is awaiting the final report has looked at all aspects of service delivery.	 Low Risk	Lighthouse, agreed for action to be cancelled due to department restructure.

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Payment Card Industry Data Security Standards 21/22	PCIDSS21/22.7	Review the security assessment and implement the recommendations.	31-Mar-2024	14-Aug-2024	13-Aug-2024 - Update from IT Manager - No change to the PCIDSS status. Whilst we undertook work to create a gap analysis and review areas and priorities to work through, this really is an organisational objective and requires support from a number of areas. There are around 350 competencies to demonstrate and evidence in order to comply, many of which are not technical, will require investment in appropriate monitoring/tracking software. Currently the cost to be compliant versus being non-compliant and the associated fees require consideration.	 Medium Risk	Lighthouse, agreed for action to be cancelled due to department restructure.
Service Desk Management 21/22	SDM21/22.1	Management to review options around Service Desk management and oversight.	31-Mar-2024	07-Oct-2024	IT & Digital Services manager has advised that the recent audit of Service Delivery has been completed and they are awaiting the final report. He feels that this new audit will meet and then supersede this recommendation as it looks at all aspects of service delivery and service desk management.	 Medium Risk	agreed for action to be cancelled due to department restructure.
Service Desk Management 21/22	SDM21/22.3	The development and documentation of problem management processes and controls should be assigned to a nominated owner.	31-Mar-2024	07-Oct-2024	The IT and Digital Services Manager has advised that Problem Management does not need documented processes as it is inherently built into the system that records incidents/problems.	 Medium Risk	agreed for action to be cancelled due to department restructure.
Systems Resilience 22/23	SR22/23.7	All Cloud Service Providers provide annual evidence of the results and timing of IT Disaster Recovery tests.	01-Jul-2024	04-Sep-2024	04-Sep-2024 Response from IT & Digital Manager to say that he is unable to confirm how cloud service providers will be asked to provide evidence as this is for the Service Area Managers to determine as part of their contract management duties. 20-Aug-2024 Email sent to the IT and	 Medium Risk	Action cancelled as new report actions supersede.

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					<p>Digital Services Manager to ask how the cloud service providers will provide the evidence of the results of IT Disaster Recovery testing.</p> <p>16-Aug-2024 The IT and Digital Services Manager has advised that he feels that this now sits under Safety and Resilience. He has been working with the CSW Business Continuity Manager who is currently tasked with reaching out to Service Areas to understand their continuity arrangements, including loss of IT. The IT and Digital Services Manager will then be working with the CSW Business Continuity Manager and his findings to ensure the information they have aligns.</p>		

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Licensing 22/23	LCG22/23.2	To address the GDPR requirements for accuracy & data minimisation, the Licensing Team should consider a data validation exercise on records to ascertain if data should still be held on individual & if so, verify it is still accurate.	30-Aug-2024	04-Sep-2024	<p>03-Sep-2024 - The Licensing officer has confirmed that the previous update still stands in regard to the data minimalisation. The new system is operational, however, with recent annual leave across the team the data transfer did slow down. They are back up to full capacity now and the data transfer will continue as before. She confirmed that approximately 7% of the data has been reviewed/transferred so far.</p> <p>In regard to data accuracy and minimalisation, this relates to transferring historic data onto the new system which the team are actioning alongside our 'normal' workload.</p>	 Medium Risk	stated completion date as original due date was Aug 2023.

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					Although necessary, this task has taken a backseat. We will continue working on having these uploaded to the new system. Please could you allow 12 months for us to complete this		

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Voids Review	VDS22/23.5b	Arrange access to Civica CX for the PRS Team Leader and Manager. Investigate what reports can be run from TF in order to understand the total void cost.	01-Feb-2025	11-Sep-2024	Update received from Interim PRSM 11-Sep-2024:Once new team leader is in post I am looking at a full review of voids from an operational and financial standpoint Due date therefore amended to 01-Feb-2025 to give time for review to have taken place.	 Low Risk	this is ongoing as the Voids Module has not been implemented into Total Mobile yet. Access to CX has been arranged.

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Voids Review	VDS22/23.10	Investigate the possibility of using other resources to manage void utilities	01-Oct-2024	03-Oct-2024	Update from Asset Maintenance Manager chased 30-Aug-2024 Update requested of the Asset Maintenance Manager 22-Apr-2024 Assignee changed to Bill Winter. A procurement exemption form was competed in March 2024 to use British Gas to supply and manage the energy accounts in void properties. Progress moved on to 50%. When this contract is up and running, the action can be closed.	 Low Risk	Action completed.