

# Internal Audit Progress Report



## West Lindsey District Council January 2022

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The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely the work undertaken as part of the agreed internal audit plan.

# Introduction

The purpose of this report is to:

- Provide details of the audit work during the period October 2021 to November 2021
- Advise on progress of the 2021/22 plan
- Raise any other matters that may be relevant to the Audit Committee role

## Key Messages

### Audit Plan

During the period we have completed two assurance audits and have seven audits currently in progress with two of these at draft report stage.

We have now completed 50% of the revised plan (Appendix 4).

The two audits which have been completed are:-

- Local Land Charges – High
- ICT Helpdesk – Limited (Full details are provided in Appendix 2 and a summary and additional commentary is provided on page 5)

The seven which are currently in progress include:-

- Follow-up Vulnerable Communities – Draft Report
- Follow-up – Golden Thread – Draft Report
- Insurance - Fieldwork
- ICT Network infrastructure – Fieldwork
- Strategic Risk (Inability to maintain critical services and deal with emergency events) - Fieldwork
- Flooding – Terms of Reference
- Key Project Enterprise Resource Planning System – Review underway

There have been some changes to the plan as priorities have changed during the year. The Wellbeing audit has been postponed and replaced with certification of the flood grants and a follow-up of the ICT Helpdesk report. The Value for money audit previously put on hold will now take place in quarter 4.

### Other Work

We have continued work on the Combined Assurance work with meetings being held with the Assistant Directors and will then pull the information together into the report.

1  
HIGH  
ASSURANCE

0  
SUBSTANTIAL  
ASSURANCE

1  
LIMITED  
ASSURANCE

0  
LOW  
ASSURANCE

0  
OTHER  
REPORTS

Note: The assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. The definitions for each level are shown in **Appendix 1**.

# Introduction

## Key Messages - Continued

### Performance

We are meeting all but one of the performance targets. The one which we are slightly under is the issuing of the draft report. There were two which did not meet the target, 1 was 1 day over and the other was over as we were waiting for additional information before issuing the report (ICT Helpdesk).

Overall there are 10 agreed actions remaining to be implemented (1 High, 8 Medium and 1 Low). There are no overdue actions outstanding. Appendix 3 includes the statistics and sets out those actions where the implementation date has been extended.



# High Assurance

## Local Land charges

Our review has concluded that the processes and controls in place within the team are working well to maintain an accurate Local Land Charges Register and effectively manage performance.

Overall we found that the processes in place effectively ensure that there are appropriate charges for the local land charge searches, provide a full audit trail of action undertaken and ensure timely completion of search requests or updates to the Local Land Charges Register.

During 2021 the team changed working practices to improve performance as well as maintaining the statutory requirement to provide access to the register for personal searches within the various restrictions caused by the Covid 19 pandemic. This included introducing a new 'one stop' performance management system. This is working well and provides the team with live service data to monitor and plan workflow.

The Team has also has a number of other measures in place to support the resilience and management of fluctuations in service demand.

# Limited Assurance

## ICT Helpdesk

We are providing a Limited Assurance opinion for the operation of the NKDC/WLDC Helpdesk, with recommendations largely focusing on governance arrangements that involve establishing the service levels expected by the client Councils and the reporting of performance against these expectations.

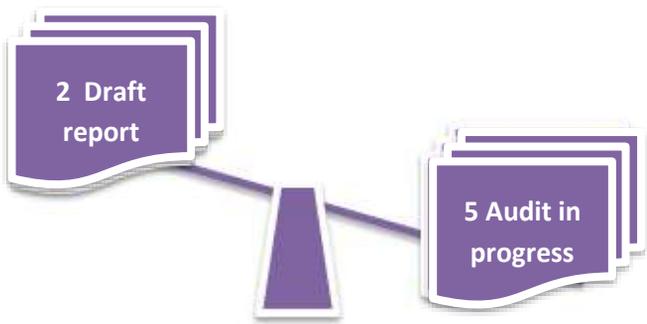
The Help Desk system uses a range of priorities (e.g Urgent, High, Medium, Low), and expected resolution times that have been established by the ICT service. We were unable to be provided with any evidence to indicate that the client Councils had agreed these service levels.

Additionally, whilst the client Councils receive performance data about the Helpdesk function, there are no performance indicators that directly report on whether the priorities and their expected resolution times are being adhered to. We have recommended that the Councils and the ICT service restate and agree the priorities and resolution times and that performance data is then produced that demonstrates whether the ICT service is meeting the required service levels.

We identified that there had been an accumulation of over 600 unresolved Helpdesk tickets in the previous two years across both Councils. The ICT Manager had initiated remedial action and a follow up analysis undertaken in September 2021 confirmed that there had been a 70% reduction in the number of these open tickets.

There continues to be an accumulation of open tickets although the ICT Manager expects this trend to be addressed by the introduction of new measures that will reduce the volume of service requests received.

This audit commenced in November 2020 with the fieldwork being concluded in March 2021. Some of the findings raised were challenged by the auditee and additional information was requested from them to support this. This impacted on the time taken to conclude this audit during which time the remedial action taken by the auditee had reduced the number of tickets outstanding significantly. Our review provides an opinion as at a point in time which was as at March 2021, however the other issues raised within the report are significant in the context of this review and therefore our opinion remains as Limited.



## Audit reports at draft

We have two audits at draft report stage:

- Follow-up Vulnerable Communities
- Follow-up Golden Thread

## Work in Progress

We have the following audits in progress :

- Insurance - Fieldwork
- ICT Network infrastructure – Fieldwork
- Strategic Risk (Inability to maintain critical services and deal with emergency events) - Fieldwork
- Flooding – Terms of Reference
- Key Project Enterprise Resource Planning System – Review underway

## Other Significant Work

We continue to work on the Combined assurance process and have met with the Assistant Directors to populate the assurance map which will feed into the report.



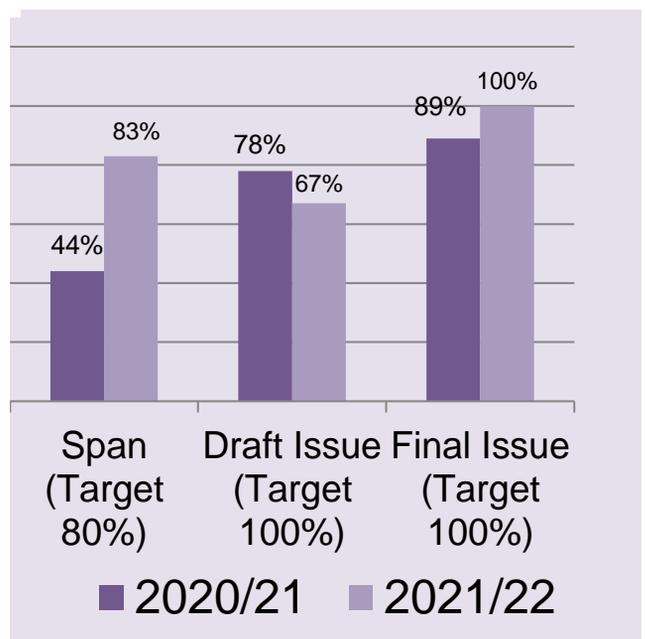


Internal Audit's performance is measured against a range of indicators. The statistics below show our performance on key indicators year to date.

## Performance on Key Indicators

**Positive feedback has been received**

**Plan completed 50%**





# Other Matters of Interest

A summary of matters that will be of particular interest to Audit Committee Members



## **Harnessing Internal Audit Against Climate Change Risk - Oct 21**

Below are some of the key extracts from the IIA report:-

Climate change is arguably the most acute challenge facing our planet right now and is an issue that is firmly moving up the agenda. It is one that organisations simply cannot afford to ignore or sideline any longer, for those that do not take action face the genuine risk of an existential crisis.

Internal audit has a responsibility to add true value to the work of organisations on climate risk from two perspectives:

- to act as a trusted advisor to the organisation in terms of how it is identifying, managing and mitigating the risks and opportunities associated with climate change.
- to comment on and assess the measures that the organisation puts in place to reduce its environmental impact and contribution to climate change.

But the responsibility to rise to these challenges does not rest solely on the shoulders of internal audit. Audit committees need to look at their organisation and ask themselves whether they are fully prepared for climate change

### **Why should climate change matter to Boards?**

As well as the need to prepare for the physical impacts of climate change, Boards must help their organisations adapt to the requirements of new national and international laws and regulations that will embed sustainability in products and services.

### **Skills and training, knowledge and resources**

It is the Audit Committees responsibility to ensure that:-

- its internal audit activity has the right combination of resources, skills and training to address climate change risk
- an appreciation of climate change risk is embedded within an organisation's strategy
- they begin having conversations about climate change preparedness with their internal audit teams.

A copy of the full report is available on request.

**High**

Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.

The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.

**Substantial**

Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.

**Limited**

Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and/or performance.

The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.

**Low**

Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.

## ICT Helpdesk

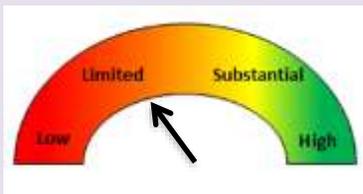
### Scope

The overall audit objective is to provide independent assurance that the Help Desk operates effectively to ensure that all matters reported by users have been adequately and efficiently documented and treated.

The scope of the review addressed all aspects of the Help Desk function, including:

- Management of the Helpdesk system and adherence to policies and procedures.
- Feeder systems from which Help Desk tickets are created to ensure that issues identified can be effectively reported and recorded.
- Staff training and resource to support the recording, tracking and resolution of help desk items including the effective use of a knowledge base to facilitate quick and effective resolution of common incidents.
- Effectiveness of the Help Desk system in classifying and prioritising the issues that are recorded and escalation process for recorded issues.
- Appropriateness of customer contact for progress updates, customer satisfaction and managing customer expectations.

### Executive Summary



Risk	Current Rating (R-A-G)	Recommendations	
		High	Medium
Risk 1	The ICT Helpdesk is not effectively managed	1	1
Risk 2	The ICT Helpdesk is not effectively resourced	0	0
Risk 3	Customer issues are not promptly recorded and resolved	0	1

We are providing a Limited Assurance opinion for the operation of the NKDC/WLDC Helpdesk, with recommendations largely focusing on governance arrangements that involve establishing the service levels expected by the client Councils and the reporting of performance against these expectations.

The Help Desk system uses a range of priorities (e.g Urgent, High, Medium, Low), and expected resolution times that have been established by the ICT service. We were unable to be provided with any evidence to indicate that the client Councils had agreed these service levels.

## **Executive Summary**

Additionally, whilst the client Councils receive performance data about the Helpdesk function, there are no performance indicators that directly report on whether the priorities and their expected resolution times are being adhered to. We have recommended that the Councils and the ICT service restate and agree the priorities and resolution times and that performance data is then produced that demonstrates whether the ICT service is meeting the required service levels.

We identified that there had been an accumulation of over 600 unresolved Helpdesk tickets in the previous two years across both Councils. The ICT Manager had initiated remedial action and a follow up analysis undertaken in September 2021 confirmed that there had been a 70% reduction in the number of these open tickets. Our analysis can be found in Appendix 1b.

There continues to be an accumulation of open tickets although the ICT Manager expects this trend to be addressed by the introduction of new measures that will reduce the volume of service requests received.

### **Management Response**

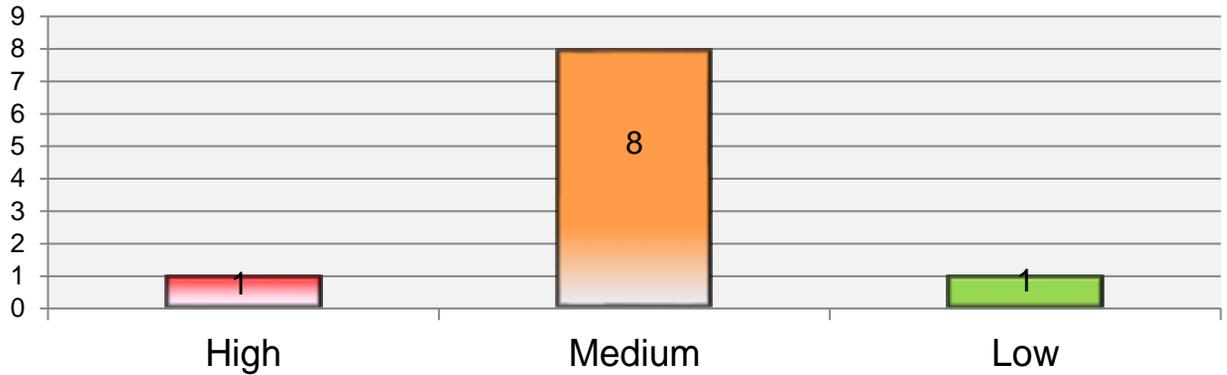
We welcome the audit findings that provide us with an opportunity to improve. The work to introduce further governance and controls to improve the ServiceDesk outcomes for the both North Kesteven and West Lindsey was underway when the audit started, with the excellent work and progress recognised with actions already completed during the period of the review and will continue. We would like to thank Assurance Lincolnshire for their work on this.

Evonne Rogers – North Kesteven District Council - Head of Corporate and Community Services

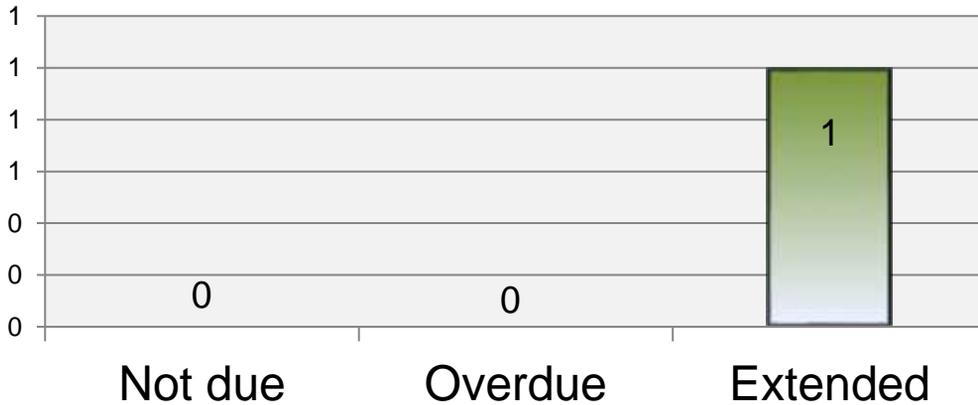
Nova Roberts – West Lindsey District Council – Assistant Director, Change Management and Regulatory Services

**Audit Actions not yet implemented for all audits at 30 November 2021**

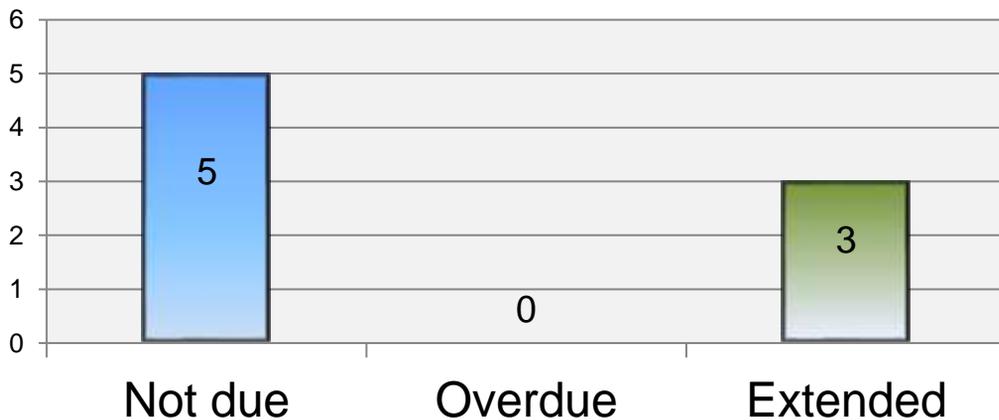
**All Actions remaining to be implemented**



**High Priority Actions remaining to be implemented**



**Medium Priority Actions remaining to be implemented**



Details of those extended this time are provided in the following pages.

### Details of Agreed Actions where the implementation date has been extended since November 2021

Audit	Priority	Agreed Action	Owner	Original due date	Current due date	Comments
WLDC 2020/21-10 - ICT Email Security	Medium	Agreed The Council will replace the Security Email Gateway.	Cliff Dean	31/12/2021*	31/03/2022	Management Team have decided to move the delivery date to the end of Mar-22 to allow for an independent assessment of the proposed PMO. Workshops have been arranged with key stakeholders
WLDC 2020/21-03 - Key Projects - The Waste Depot	Medium	Links between the project benefits and its outcomes/deliverables to be determined together with how they will be measured.	Ady Selby	30/04/2021	28/02/2022	Depot opening slightly delayed. Benefits are reviewed as part of Depot Project meetings and project update meetings between Sponsor and Change Team. Full review will take place when depot is fully operational, target date to move to February 2022
WLDC 2020/21-03 - Key Projects - The Waste Depot	Medium	Benefit measures and targets to be approved by Project Group and Portfolio Board with key officers appointed responsibility of the benefit measures.	Ady Selby	30/04/2021	28/02/2022	Depot opening delayed slightly, hence full assessment can't be undertaken until the site is fully operational. Target date to move to February 2022

\* Was not overdue when extension applied

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
2020/21 ICT Helpdesk	<p>Joint review with NKDC to review the effectiveness and efficiency of the helpdesk</p> <p>The previously unallocated ICT days have been added to this review to enable a deeper dive into Performance &amp; Delivery</p>	Q4 Jan – Mar 20	Nov -20	Nov -21	Limited
2020/21 Covid 19 Business Grants	To provide assurance over claims in relation to the Small Business Grant Fund (SBGF) and Retail, Hospitality and Leisure Grants (RHLG).	Q4/Q1 Mar- Jun 21	May -21	Sept -21	Substantial
2020/21 Together 24	To provide assurance over the governance arrangements in place	Q4 Jan – Mar 21 Revised to April 2021	Apr-21	Sept -21	High
Key Control Testing	Delivery of key control testing to enable Head of Internal Audit to form an opinion on the Council's financial control environment.	Q4			
Grants awarded	To provide assurance that there are robust arrangements in place for the issuing of grants across the council and grant conditions are monitored and complied with	Q2	Jul-21	Sept -21	High
Insurance	To provide assurance around the adequacy and effectiveness of processes within the insurance function	Q1 Revised to Q3	Sept -21		Fieldwork
Value for Money (VFM)	To provide assurance that the Council takes all reasonable steps to achieve Value for Money in the delivery of its services.	Q1 Revised to Q4			

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
<b>Strategic Risk - Inability to maintain critical services and deal with emergency events</b>	To provide assurance that the processes in place to support the management of this strategic risk are operating effectively	Q3	Oct-21		Fieldwork
<b>Flood Management</b>	To provide assurance that adequate arrangements are in place between the council and the LLFA to both prevent and respond to flooding - Client wide review	Q2 Revised to Q3			TOR agreed
<b>Carbon Management</b>	To provide assurance that the plans in place to tackle climate change are relevant, fit for purpose and achievable	Q4			TOR agreed
<b>Local Land Charges</b>	To provide assurance over the operational arrangements in place with a core focus on performance management	Q2	Jul-2021	Nov- 21	High
<b>Wellbeing</b>	Review of delivery and effectiveness of the Council's elements of the wellbeing contract. - Client wide review	Q4			Removed
<b>Enterprise Resource Planning system</b>	Consultancy review to advise and support on system controls during the implementation of this new system	Q1-3 Revised to Q3	Nov-21		Review ongoing
<b>ICT Disaster Recovery &amp; Backup</b>	To provide assurance that backups are robust, working effectively and that disaster recovery arrangements are in place and also periodically tested.	Q4			

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Rating
ICT - Cloud/ Housed Services	Review of several cloud hosted solutions to ascertain the level of due diligence undertaken of selected providers and the adequacy of security arrangements in place	Q3			TOR drafted
ICT - Network Infrastructure & Security	Review of the network architecture and design from a security perspective to determine whether adequate security mechanisms are in place and operating effectively.	Q1	Sept -21		Fieldwork
Follow-ups:- Vulnerable Communities Golden Thread	To provide management with assurance that actions from previous key audits have been implemented and this has led to improved outcomes.	Q1	Aug -21 Sept -21		Draft Reports
Combined Assurance	Updating the assurance map and completing the Combined Assurance report.	Q3			Meetings held
Flood Grant	To carry out the grant certification work as required.	Q4			
Follow – Up – ICT Helpdesk	To provide management with assurance that actions from previous audit has been implemented and this has led to improved outcomes	Q4			

## Changes to Internal Audit Plan – 2021/22

Audit	Rational	Change
Wellbeing	Other audits have been requested which are considered to be of a higher priority and therefore this one has been postponed to 2022/23	Remove from the plan
Follow-ups <ul style="list-style-type: none"> <li data-bbox="58 498 308 533">• ICT Helpdesk</li> </ul>	This audit has recently been completed and a follow-up is required within 6 months of completing the fieldwork.	Added to the plan
Flood Grants	Certification of the grants paid in respect of flooding is required before the end of February.	Added to the plan