



**INTERNAL AUDIT FOLLOW UP OF  
RECOMMENDATIONS REPORT**

Northampton Borough Council

December 2020

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**BDO**

# Summary

## 2018/19

	Total Recs	H	M	L	To follow up	Complete		Overdue/moved to new Unitary		Removed		% Complete
						H	M	H	M	H	M	
Building Control	7		7		0		6				1	100
Cash Handling	6	3	3		0	2	3			1		100
Digital Strategy	3		3		0		3					100
Housing Rents	3		3		0						3	100
Major Cap. Projects	8	1	7		0		5			1	2	100
Member-Officer	12		12		2		10		2			83
People	11	7	4		0	7	4					100
Procurement	7	2	5		1	2	3		1		1	86
Senior Mgmt. Restructure	4		4		0		4					100
Temp Accom.	9	3	6		1	3	6					100
	70	16	54		4	14	44		3	2	7	96

## 2019/20

	Total Recs	H	M	L	To follow up	Complete		In Progress		Overdue/moved to new Unitary		% Complete
						H	M	H	M	H	M	
Asset Mgmt.	14	7	7		10	4	2		4			43
Contract Mgmt.	1		1		1						1	0
Cyber Security	3		3		2						2	0
Disabled Facilities Grant	11	9	2		11	8	1	1	1			81
Enterprise Zone	7		7		0		7					100
GDPR	2	1	1		1		1				1	50
Health & Safety	6	2	4		0	2	4					100
Planning & S106	2		2		0		2					100
	46	19	27		25	14	17	1	5		4	46

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# Summary

## **FOLLOW UP GOING FORWARD - BDO RECOMMENDATIONS**

Following the issue of reports, all due High and Medium recommendations will be followed up within this report

## **RECOMMENDATIONS**

- 28 recommendations are due for follow-up with recommendations due prior to the end of **December 2020**
- Previous recommendations may simply have a revised date that is post this Committee and therefore, will be picked up at the next Committee

Of the 29 recommendations we followed up on:

- 12 High and four Medium recommendations were fully implemented by the Council and we received sufficient evidence to support implementation of these recommendations
- 12 recommendations were incomplete (two High, 10 Medium) and the due date has now been revised more than twice on these recommendations, therefore they are overdue. For 3 recommendations that are overdue with revised dates of 01/04/2021 these will be picked up by the new Unitary
- We appreciate that there had been progress on a number of the overdue recommendations at our previous follow up which the Council were unable to implement because of the disruption caused by the COVID-19 pandemic. Whilst this has stretched the Council's resources and meant that the 'way of working' has had to be changed, we will be following up on the overdue recommendations prior the next Audit Committee and would expect progress to be made towards implementing these.

The next Follow-Up Report for the March 2021 Audit Committee will be our final one and we will report progress on all recommendations whether they are due or not at this stage.

## **FOLLOW UP PROCESS**

As part of the follow-up process we issued all recommendations due for implementation on or before November 2020 on 25 August 2020. Recommendations due were sent to all responsible officers and the corresponding heads of service. We gave responsible officers 6 weeks to respond. We subsequently chased officers throughout September and October 2020.

We are required to escalate non responses and/or recommendations with several revised due dates to the Corporate Management Board (CMB). All responsible officers responded to our follow up within the allotted time-frame so we were not required to escalate non responses to CMB in this follow up.

For all incomplete recommendations, we will:

1. Continue to emphasise to staff to be realistic about the implementation dates when completing their management responses at the completion stage of each internal audit review
  2. Issue the recommendations tracker to all the relevant Heads of services on a monthly basis from the December audit committee onwards
  3. Issue reminder emails 6 weeks prior to the follow up review to ensure timely completion of each recommendation.
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## Recommendations: Complete

Audit	Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2018/19. Temporary Accommodation	The Spend to Save Policy should be updated with limits on funds that can be granted/loaned to clients. Once updated, the Council should review the funds allocated to the Scheme and assess whether they are adequate	Medium	Housing Advice & Options Manager	<del>31/10/2019</del> <del>29/02/2020</del> <del>31/05/2020</del> 31/08/2020	<p><b>Council Comments:</b> The Tenancy Sustainment Fund Policy has been introduced to replace the Spend to Save Policy. It includes limitations on the amount to be paid to the landlord, for the tenant, and who has delegation to approve the payment.</p> <p><b>IA Comments:</b> The Tenancy Sustainment Fund Policy implementation fulfils the recommendation</p>
2019/20. Asset Management	All repair and maintenance work requests are processed through the Help Desk for consistency and facilitation of an appropriate audit trail	High	Economic Growth & Regeneration Manager	31/07/2020	<p><b>Council Comments:</b> This was completed when raised during the review.</p> <p><b>IA Comments:</b> We were satisfied that this was completed.</p>
2019/20. Asset Management	Asset Management ensure that the Tenancy Schedule and Agresso are kept up to date with the latest tenancy agreement/rent review memorandum details. Please also refer to finding 2 recommendation 1	High	Asset Manager	30/09/2020	<p><b>Council Comments:</b> This is part of the technical assistant's role, surveyors to pass records for data input and is ongoing, i.e. the process instructing this is complete. Monitoring will form part of performance monitoring of staff.</p> <p><b>IA Comments:</b> We were happy that arrangements put in place were adequate.</p>
2019/20. Asset Management	Surveyors ensure the most up to date tenancy agreements/rent review memorandum are put in place, include review dates where applicable and are filed centrally.	High	Asset Manager	30/06/2020	<p><b>Council Comments:</b> Completed as in reminder sent to surveyors to file on centralised database, to review as part of performance monitoring.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>

2019/20. Asset Management	Asset Management team meetings include rent reviews and record keeping as a standing agenda item to facilitate monitoring at least for a specified time until this is brought under control.	High	Asset Manager	30/06/2020	<p><b>Council Comments:</b> Team already doing this. This is a standing item and will continue to be.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
2019/20. Asset Management	Asset Management ensure evidence for property valuations is filed in a central folder for organisational memory and ease of accessibility	Medium	Asset Manager	31/08/2020	<p><b>Council Comments:</b> Spreadsheet of the property valuations is now saved in a shared folder.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
2019/20. Asset Management	Asset Management obtain the missing valuations for those identified in our review by going back to the valuer if they cannot be identified	Medium	Asset Manager	30/06/2020	<p><b>Council Comments:</b> Missing valuations have been obtained.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
2019/20. Disabled Facilities Grant	The Council should ensure that all grant funded adaptation works are inspected and a Certificate of Completion of Adaptation Works is completed and signed and dated by both the applicant and Senior Technical Officer, prior to payment of invoices. Where adaptation works are not completed to a satisfactory level, this should be made clear on the certificate, and the certificate should be signed once the issue is rectified.	High	Private Sector Housing Manager	31/10/2020	<p><b>Council Comments:</b> All works are now subject to a certificate of completion signed by the applicant, and where appropriate the owner of the property.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
2019/20. Disabled Facilities Grant	Purchase orders should be checked against the agreed quote total prior to being raised. When contractor invoices are received, they should be checked	High	Private Sector Housing Manager	31/10/2020	<p><b>Council Comments:</b> All purchase orders are approved on the Council's Financial Management System with reference to the tender evaluation sheet.</p>

	<p>against the purchase order prior to payment, and any variances investigated and documented. A variations certificate should be completed if funding of additional works is required and a re-approval letter should also be issued to the applicant and contractor where the grant amount has changed</p>				<p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
<p><b>2019/20. Disabled Facilities Grant</b></p>	<p>All paperwork, including quotations, invoices and purchase orders should be filed along with all other documentation relating to the grant claim</p>	<p>High</p>	<p>Private Sector Housing Manager</p>	<p>31/10/2020</p>	<p><b>Council Comments:</b> All paperwork is now scanned into and saved on the M3 system.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
<p><b>2019/20. Disabled Facilities Grant</b></p>	<p>The Council should ensure that Financial Assessments and Needs Assessments are completed prior to issuing a Notice of Approval to approve the grant amount</p>	<p>High</p>	<p>Private Sector Housing Manager</p>	<p>31/10/2020</p>	<p><b>Council Comments:</b> Future issuing of Notice of Approval will be subject to Financial Assessments and Needs Assessments.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
<p><b>2019/20. Disabled Facilities Grant</b></p>	<p>No grants should be awarded without issuing a Notice of Approval to confirm the grant amount. A monthly spot checking process would enhance this</p>	<p>High</p>	<p>Private Sector Housing Manager</p>	<p>31/10/2020</p>	<p><b>Council Comments:</b> Grants will be checked to ensure that they have issued a Notice of Approval to confirm grant amounts.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
<p><b>2019/20. Disabled Facilities Grant</b></p>	<p>All Notice of Approvals should be appropriately completed to include the date issued, and should be signed by an appropriate individual who has the authority to approve that grant</p>	<p>High</p>	<p>Private Sector Housing Manager</p>	<p>31/10/2020</p>	<p><b>Council Comments:</b> All grant approvals are signed by the Private Sector Housing Manager who has delegated authority in this regard.</p> <p><b>IA Comments:</b></p>

	amount within their approval limit				We were satisfied that the recommendation had been implemented.
<b>2019/20. Disabled Facilities Grant</b>	The Council should ensure that a Client Agreement form signed by the client, is received by the Council to agree all disabled facility adaptation works, prior to tendering for the works. Tenders for works should not be issued without being agreed by the client first	High	Private Sector Housing Manager	31/10/2020	<p><b>Council Comments:</b> This is complete and will be part of future processes.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
<b>2019/20. Disabled Facilities Grant</b>	The Council must obtain at least three quotations for each element of works to be carried out, or implement an approved waiver process where it is uneconomical to complete this. This should be documented within the competitive quotation sheet along with the rationale for selecting the chosen contractor		Private Sector Housing Manager	31/10/2020	<p><b>Council Comments:</b> This is complete and will be part of future processes.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>
<b>2019/20. Disabled Facilities Grant</b>	The Private Sector Adaptations Policy should have a documented owner and version control at the front of the document. The updates to the clawback provisions has already been confirmed to have been added to the Policy. This should be subject to Cabinet sign off prior to being rolled out across the Council	Medium	Private Sector Housing Manager	31/10/2020	<p><b>Council Comments:</b> This has been completed.</p> <p><b>IA Comments:</b> We were satisfied that the recommendation had been implemented.</p>

## Recommendations: Incomplete

Audit	Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2019/20. Asset Management	As soon as the Unitary Authority asset management approach is agreed upon, Asset Management and Property Management policies and procedures should be updated and disseminated to staff as soon as possible. Policies and procedures should include change control	Medium	Asset Manager	<del>30/09/2020</del> 28/02/2021	<p><b>Council Comments:</b> Covid-19 has impacted Unitary process it is likely to be September 2021 before the asset strategies are reviewed and approved.</p> <p><b>IA Comments:</b> This will be followed up prior to the Unitary vesting day.</p>
2019/20. Asset Management	Once the 'Community Asset Transfer Policy' is approved by Cabinet, the policy is disseminated to staff and relevant parties as soon as possible	Medium	Asset Manager	<del>30/09/2020</del> 31/12/2020	<p><b>Council Comments:</b> Covid-19 has impacted workloads, the date for this delayed accordingly.</p> <p><b>IA Comments:</b> This will be followed up at the next Audit Committee.</p>
2019/20. Asset Management	Complete outstanding/overdue valuations identified in our review as soon as possible	Medium	Asset Manager	<del>30/06/2020</del> 31/12/2020	<p><b>Council Comments:</b> The Council have ask capital accounts surveyor to get the most recent valuation.</p> <p><b>IA Comments:</b> This will be followed up at the next Audit Committee.</p>
2019/20. Asset Management	Asset Management in collaboration with relevant stakeholders ensure effective resource planning mechanisms for operational and project works are put in place that support the achievement of the team's Key Performance Indicators	Medium	Asset Manager	<del>30/06/2020</del> 31/12/2020	<p><b>Council Comments:</b> Collaboration with stakeholder will be progressed.</p> <p><b>IA Comments:</b> This will be followed up at the next Audit Committee.</p>
2019/20. Disabled	An annual declaration of interests should be	High	Private Sector Housing Manager	<del>31/12/2020</del> 31/01/2020	<p><b>Council Comments:</b> This is incomplete.</p>

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**Facilities  
Grants**

completed by all staff members involved in DFG tendering selections. This should be based on the approved contractor list in place with signed records maintained centrally for all staff members

**IA Comments:**  
This will be followed up at the next Audit Committee.

## Recommendations: Overdue/moved to new Unitary

These recommendations have been marked as overdue as they have previously revised their implementation date. Therefore, they have now missed at least two implementation dates. Those with dates of 01/04/2021 are to be taken forward by the new Unitary

Audit	Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2018/19. Procurement	The Council should give procurement and contract refresher training for staff involved with high-value contracts	Medium	Monitoring Officer & Chief Finance Officer	30/06/2019 31/08/2019 31/10/2019 31/01/2020 31/03/2020 30/09/2020 31/12/2020 01/04/2021	<p><b>Council Comments:</b> Due to the COVID-19 pandemic the Council were unable to complete the training sessions on the originally planned dates and have therefore re-scheduled to when the office re-opens. The training had originally been planned for 30 March - 2 April 2020</p> <p><b>IA Comments:</b> We have provisionally revised the due date to December 2020 however we accept the implementation of this recommendation is contingent on face-to-face training being possible.</p>
2018/19. Member-Officer Protocols	Run an organisation-wide training programme on the Protocol once it has been refreshed - cascading training down through political groups, Heads of Service and to CMT meetings run by Heads of Service	Medium	Monitoring Officer	31/05/2019 29/02/2020 30/04/2020 31/08/2020 31/12/2020 01/04/2021	<p><b>Council Comments:</b> A training provider has been contacted and provided a comprehensive training schedule. Approval is being sought from the Chair of the Councillor Development Group. With his approval the aim will be to hold in the autumn for all Councillors.</p> <p><b>IA Comments:</b> We appreciate the disruption caused by the COVID-19 with face-to-face meetings. This will be followed up at the next Audit Committee.</p>
2018/19. Member-Officer Protocols	When holding training for Members on the Officer-Member Protocol, the importance of appropriate tone, and not influencing Officer reports, should be emphasised through a series of scenario-	Medium	Monitoring Officer	31/05/2019 29/02/2020 30/04/2020 31/08/2020 31/12/2020 01/04/2021	<p><b>Council Comments:</b> An external, highly recommended training provider has been contact and will deliver the training.</p> <p><b>IA Comments:</b> We appreciate the disruption caused by the</p>

	based exercises to reduce the likelihood that either element of the Protocol is unintentionally breached				COVID-19 with face-to-face meetings. This will be followed up at the next Audit Committee.
2019/20. GDPR	Management should agree a contractual addendum as part of the outsourced agreement held with LGSS for the provision of revenues and benefits	High	Data Protection Officer	30/11/2019 31/03/2020 <del>30/09/2020</del> 31/12/2020	<p><b>Council Comments:</b> In light of the issues/uncertainty surrounding LGSS at the moment, the PDA extension has not been signed. If and when that happens this will be addressed then.</p> <p><b>IA Comments:</b> We appreciate there is uncertainty with the LGSS and that this will be followed up at the next Audit Committee</p>
2019/20. Contract Management	The Council should ensure that the PDA extension with LGSS is signed by both parties	Medium	Chief Finance Officer	30/11/2019 31/03/2020 <del>30/09/2020</del> 31/12/2020	<p><b>Council Comments:</b> In light of the issues/uncertainty surrounding LGSS at the moment, the PDA extension has not been signed. If and when that happens this will be addressed then.</p> <p><b>IA Comments:</b> We appreciate there is uncertainty with the LGSS and that this will be followed up at the next Audit Committee.</p>
2019/20. Cyber Security	Regular internal cyber security risks assessments are performed to identify cyber security threats. There is also a need to ensure alignment between IT risks identified by the Council on the Corporate Risk Register and those on the IT Risk register. The IT risk register may be further sub-divided into cyber security risks and other IT risks until the cyber security risk	Medium	ICT Service Delivery Client Manager	31/12/2019 30/04/2020 <del>30/09/2020</del> 31/12/2020	<p><b>Council Comments:</b> There has been progress on alignment of IT risks identified on the Corporate Risk Register and the IT Risk Register but the Council are awaiting final confirmation from LGSS IT on this.</p> <p><b>IA Comments:</b> This will be followed up at the next Audit Committee.</p>

	management becomes embedded				
<b>2019/20. Cyber Security</b>	A scheduled plan for major incident response scenario testing should be developed and approved by the Digitalisation, Cyber security and Data Protection Group. Regular comprehensive cyber security testing should be included in the plan	Medium	ICT Service Delivery Client Manager	<del>31/12/2019</del> <del>30/04/2020</del> <del>30/09/2020</del> 31/12/2020	<b>Council Comments:</b> A table top exercise is in the process of being written and delivered involving Heads of Service and Section Heads. The exercise will be completed by the end of April 2020.  <b>IA Comments:</b> This will be followed up at the next Audit Committee.

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