

Appendix C – Quarterly Report on Internal Audit and Counter Fraud Work

RECOMMENDATIONS FROM AUDIT REPORTS WHICH REMAIN OUTSTANDING AFTER FOLLOW UP

COLOUR KEY

High Risk
Medium Risk
Low Risk

REPORTS ISSUED 20/21

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
Business Continuity Planning November 20	Minimal	4	0	0	10.05.23	Sixth	Substantial	1	0	0	Ongoing	Business Continuity Plans for every department must be completed and adopted as soon as possible. (6 months)	<p>Update July 23</p> <p>The Director of Tourism, Culture and Organisational Development had previously reported that it was intended to have the document for Theatres completed by the end of July. The one for Events was intended to be completed by the end of September. Is now stating that consideration is being given to transfer to a LACC so cannot write BCP until more information is known.</p> <p>Oct 23</p> <p>An update on areas of Tourism that will remain with the council has been requested from the Director of Tourism, Culture and Organisational Development.</p>

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<p>Arrears Collection</p> <p>January 2021</p>	Partial	2	2	3	07.11.22	Fourth	Substantial	0	0	1	Jan 24	<p>An overarching corporate arrears collection strategy must be drawn up and adopted, under which the separate policies for the individual debt streams sit, to ensure council departments responsible for collecting monies are acting in accordance with approved guidelines.</p> <p>(3 months)</p>	<p>October 23 update</p> <p>The Interim Deputy Finance Officer has explained that consideration is currently being given to centralising arrears collection services. Therefore, the outstanding recommendation will be followed up once a decision has been made.</p>

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REPORTS ISSUED 21/22

AUDIT	Original Assurance Level	High	Medium	Low	Latest Follow Up Date	Number of Follow Up	Assurance Level at Follow Up	High	Medium	Low	Next Follow Up Due	Outstanding recommendations	Client Comment
Film Liaison Unit January 22	Minimal	13	2	0	29.06.23	Second	Substantial	2	0	0	Oct 23	The permit cost schedule must be agreed by the council and any administration fees clearly defined within the contract. (3 months)	Work has started on updating the permit cost schedule, but details are yet to be finalised.
												End of year reconciliation, between permits granted, invoices received from SFO and paid over the year, must be carried out. (1 month)	Permits have been reconciled but there is no evidence of a second officer signing off the reconciliation. A solution is being sought with Finance.

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REPORTS ISSUED 22/23

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Construction Industry Scheme February 2022	Partial	0	6	0	28.09.23	Second	Substantial	0	2	0	Jan 24	<p>Procedures for CIS payments must be written up and regularly updated as directives from HMRC change.</p> <p>(6 months)</p>	<p>First follow up Procedures for CIS payments will be developed and regularly updated in line with the HMRC changes.</p> <p>Second follow up The Systems and Transactional Manager confirmed that procedure notes for CIS have not been written. Resourcing issues are currently impacting on the team's ability to undertake this work and therefore an estimated date for completion was not possible. It was suggested that it may require outside help in order</p>
												<p>When a new supplier is set up on the system, a visual reference (screenshot or HMRC document) must be saved to the supplier's file to establish the supplier's starting tax status.</p> <p>(6 months)</p>	<p>First follow up Auditor took 14 samples of new suppliers set up on CAFi in 2021/22 and only one had saved HMRC screenshot. The new Creditor Team Leader agreed that a reminder will be sent to relevant staff.</p> <p>Second follow up 10 most recent new suppliers were taken as samples. 6 had verification screenshots on file. The Systems and Transactional Manager confirmed that the lack of procedures is probably</p>

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													impacting on the consistency of this process. A reminder has been sent to the team.
Rent Sense September 2022	Partial	2	6	0	30.06.23	Third	Substantial	0	1	0	Oct 23	An operational risk assessment should be carried out for reviewing the risks associated with using third party software to monitor and evaluate the councils' rent arrears. (6 months)	The operational risk assessment of Rent Sense is scheduled for April / May 2023