

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

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
<p><b>Arrears Collection</b></p> <p>January 2021</p>	Partial	2	2	3	Jun 24	Fourth	Partial	0	0	1	Nov 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><b>Audit Comment</b> Centralised debt collection is due to begin in February 2024. The Lead for Income Maximisation and Welfare has confirmed that writing a Corporate Fair Debt Policy is on the priorities list for 2024/25</p> <p><u>JUNE 24</u> The Assistant Director Revenues and Benefits recognises the importance of this policy but current work pressures on additional areas to add to the new software system is a priority. Therefore updating the policy may have to be moved to the plan for 25/26</p> <p>For this reason, the assurance level has been downgraded since the last follow up from Substantial to Partial</p>

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<p><b>Construction Industry Scheme</b> February 2022</p>	Partial	0	5	0	Sep 24	Third	Partial	0	1	0	Mar 25	<p>Procedures for CIS payments must be written up and regularly updated as directives from HMRC change. (6 months)</p>	<p><b>First follow up</b> Procedures for CIS payments will be developed and regularly updated in line with the HMRC changes.</p> <p><b>Second follow up</b> 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.</p> <p><b>Third follow up</b> Same response as second follow up but now with a target completion date July 2024.</p> <p><b>Fourth follow up</b> No further recommendations have been addressed and the target date has been moved to December 24. The assurance level has been downgraded since the last follow up due to the continued lack of procedures.</p>

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Casual Workers May 2023	Partial	1	12	0	Feb 24	First	Partial	0	7	0	Ongoing	<p>All staff must complete a Close Personal Declaration form at the beginning of their employment. The form must be kept on record and annual reminders sent to update the information if necessary.</p> <p>For Casual Workers the form must be included in the Casual Starter Pack.</p> <p>Managers must be reminded that a form must be completed if a casual workers position regarding close personal relationships changes at any time during the year.</p> <p>(6 months)</p>	<p>The new Starter Pack contains a Close Personal Relationship(CPR) form.</p> <p>The Casual Workers Guidance for Managers contains instructions on the annual reviewing /updating of CPR forms.</p> <p>Whilst the forms are being completed, they are not being routinely saved on D360.</p> <p><b>Audit comment:</b> The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.</p>

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Casual Workers May 2023 continued	Partial	1	12	0	Feb 24	First	Partial	0	7	0	Ongoing	<p>Managers must be reminded that all casual workers must have a complete copy of the Casual Starter Pack sent to HR.</p> <p>HR must return incomplete Starter Pack to the manager responsible.</p> <p>Consideration must be given to an online version of the form which can be safely completed and delivered without the need for casual workers to attend the office.</p> <p>Hard copies must be destroyed once they have been scanned and delivered to HR and digital copies must not be stored on local devices.</p> <p>(1 month)</p>	<p>Casual Worker Guidance gives instructions on completing Casual Worker Starter Packs for all Casual Workers.</p> <p>The instructions include the directive to send the Starter Packs to both HR and Payroll.</p> <p><b>Audit comment:</b> Testing showed that Starter Packs are, more often than not, being sent to Payroll alone. Payroll extract the Payroll related information and add it to D360, but because the information is not being sent to HR, HR related information is not being saved.</p> <p>It was reported that discussions have been had regarding online Starter Packs, but no decisions were reported.</p> <p>Hard copies are still being retained.</p> <p>The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.</p>

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Casual Workers May 2023 continued	Partial	1	12	0	Feb 24	First	Partial	0	7	0	Ongoing	<p>Manager's confirmation, signature and date on copies of identity documents must be attached to all Casual Starter Packs and saved on D360. (1 month)</p>	<p>The Casual Workers Guidance for Managers lists the procedures for managing identity documents.</p> <p><b>Audit comment:</b> Testing showed that where identity documents were available on D360 they were nearly always annotated, however many of the samples taken did not have identity documents present on D360.</p> <p>The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.</p>

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<b>Casual Workers</b> May 2023 continued	Partial	1	12	0	Feb 24	First	Partial	0	7	0	Ongoing	Managers must be reminded that written role duties and expectations must be given to each casual worker and must either form part of the completed Casual Starter Pack or be saved alongside it on D360.  (1 month)	Starter Packs containing role duties, as well as more detailed duty descriptions for more senior roles, are regularly being sent to Payroll, but not transferred to D360 in their entirety.  <b>Audit comment:</b> The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.
												Managers must be reminded that casual workers must have a related wages amendment form for rates that differ from their original payment code.  (3 months)	<b>Audit comment:</b> Payroll reported that there has been an improvement in this area, but that there are still instances of it happening.  Testing supported this position with a number of casual worker pay codes / rates out of date on D360 – some by a number of years.  The Director and HR are aware of this issue. Managers will be reminded that staff must have up-to-date rates and payment code on file.

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<p><b>Casual Workers</b> May 2023 continued</p>	Partial	1	12	0	Feb 24	First	Partial	0	7	0	Ongoing	<p>Managers must be reminded that casual workers must be given Health and Safety training relevant to the roles they are undertaking.  (3 months)</p>	<p>Meetings between the Health and Safety Manager and Devonshire Quarter managers are happening frequently, and specific Health and Safety (H&amp;S) related training sessions are being given.</p> <p>The Director confirmed they have been present at a number of H&amp;S inductions carried out by the Events team and that they are comprehensive as far as the specific duties being carried out for the event are concerned.</p> <p>However, H&amp;S training for Casual Workers is not always happening. It was reported that a barrier to providing basic H&amp;S training, especially to casual workers who are taken on at short notice and those working for short periods of time, is the lack of access to OLLE training as this requires a council email address.</p> <p><b>Audit comment:</b> The Director confirmed they will speak with Health and Safety Manager to help pinpoint H&amp;S shortfalls and discuss potential ways to address them.</p>

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<p><b>Casual Workers</b> May 2023 continued</p>	Partial	1	12	0	Feb 24	First	Partial	0	7	0	Ongoing	<p>All casual workers that require a qualification and/or a background check to carry out their duties must have the relevant documents retained on their personnel file.  (1 month)</p>	<p><b>Audit comment:</b>  A review of the DBS checks held by HR for relevant staff was carried out.  However, in testing, one sample was found to have no DBS check on file.  It was reported that issues regarding the speed at which DBS checks are happening and the relevant documents are being passed onto HR has been identified as a problem.  It was confirmed that discussions are already happening with managers and measures put in place to address the ongoing issues.</p>
<p><b>Complaints</b> August 2023</p>	Partial	9	7	0	Aug 24	Third	Partial	9	7	0	Nov 24	<p>An aligned complaint management policy for defining and handling customer complaints must be drafted, implemented, and regularly reviewed. It must meet all complaint management requirements to avoid the need for separate supplementary policies.  (6 months)</p>	<p><b>3rd Follow Up</b>  <b>In progress</b>  <b>Assistant Director Customer Service and Delivery</b>  The complaints policy has been written jointly between Customer First and Homes First and has been through the cabinet cycle. We are now taking it to public consultation and expect to roll out the new policy in August.</p>



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<b>Complaints</b> August 2023 continued	Partial	9	7	0	Aug 24	Third	Partial	9	7	0	Nov 24	An aligned complaint management procedure for handling customer complaints and the associated record-keeping requirements must be drafted, implemented, and regularly reviewed. It must meet all complaint management requirements to avoid the need for separate supplementary procedures. (6 months)	<b>3rd Follow Up</b> <b>In progress</b> <b>Assistant Director Customer Service and Delivery</b> As above
												All council-wide complaint management documents and user guides must be reviewed, updated, and implemented to address inconsistencies and omissions. All documents must have quality assurance cover sheets. (6 months)	<b>3rd Follow Up</b> <b>In progress</b> <b>Assistant Director Customer Service and Delivery</b> These documents will be updated following the public consultation
												The support available to those who may otherwise struggle to make a written complaint must be widely and consistently communicated. (3 months)	<b>3rd Follow Up</b> <b>In progress</b> <b>Assistant Director Customer Service and Delivery</b> As above

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Complaints August 2023 continued	Partial	9	7	0	Aug 24	Third	Partial	9	7	0	Nov 24	Consideration must be given to procuring a dedicated complaint management system that meets all complaint management, recording and reporting needs. (6 months)	<b>3rd Follow Up On hold Assistant Director Customer Service and Delivery</b> Not progressing any further at this stage due to budgetary constraints
												Complaints management system templates must support good documentation and record keeping practices. (3 months)	<b>3rd Follow Up In progress Assistant Director Customer Service and Delivery</b> To be completed after public consultation
												Complaints must be handled in line with the documented complaints procedures. Mandatory training programmes must be devised and implemented . All staff handling complaints, including all frontline staff, must complete the online Customer Complaints Procedure training course on the councils' online learning portal, Online Learning in Lewes and Eastbourne (OLLE). (6 months)	<b>3rd Follow Up In progress Assistant Director Customer Service and Delivery</b> Training is now mandatory To be completed after public consultation

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<b>Complaints</b> August 2023 continued	Partial	9	7	0	Aug 24	Third	Partial	9	7	0	Nov 24	All records supporting a complaint request / complaint must be appropriately stored and retained together. An explanatory file note must be left on the original complaint file for aborted and cancelled complaints.  (6 months)	<b>3rd Follow Up</b> <b>In progress</b> <b>Assistant Director Customer Service and Delivery</b>  To be included as part of the training programme
												A process must be implemented to ensure complaints are resolved and closed in a timely manner.  (3 months)	<b>3rd Follow Up</b> <b>In progress</b> <b>Assistant Director Customer Service and Delivery</b>  To be included as part of the training programme and has been discussed at Senior Managers Forum
												The complaint alert notification email distribution list must be kept up to date. Change requests to the distribution list must be submitted and processed in a timely manner.  The process for updating the distribution list must be reviewed, updated, and implemented.  (1 month)	<b>3rd Follow Up</b> <b>In progress</b> <b>Assistant Director Customer Service and Delivery</b> The Customer First Resolution Team Specialist Advisor (Complaints and Improvement) has updated where possible, and continues to review, the distribution lists  <b>Internal Audit Comment</b> The format of the distribution list is in the process of being revised and will be reviewed as part of the next follow up

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<b>Complaints</b> August 2023 continued	Partial	9	7	0	Aug 24	Third	Partial	9	7	0	Nov 24	Information on the complaints management process detailed on The Hub and external website, must be reviewed and updated, and aligned with guidance. (1 month)	<b>3rd Follow Up</b> In progress Assistant Director Customer Service and Delivery Needs to be updated and will be done after public consultation
												Staff must receive alerts when complaints they have been assigned are approaching their target resolution dates and when they have reached their target resolution dates. (6 months)	<b>3rd Follow Up</b> In progress Assistant Director Customer Service and Delivery To be completed after public consultation
												Customers must be signposted to where they can provide feedback on the way in which their complaint was handled. That feedback must be logged and reviewed, and lessons learnt disseminated and implemented across the councils. (6 months)	<b>3rd Follow Up</b> In progress Assistant Director Customer Service and Delivery To be completed after public consultation

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<b>Complaints</b> August 2023 continued	Partial	9	7	0	Aug 24	Third	Partial	9	7	0	Nov 24	Root cause analysis of complaints, and systems and processes to disseminate and implement lessons learnt from root cause analysis, must be extended across the councils. (3 months)	<b>3rd Follow Up</b> In progress <b>Assistant Director Customer Service and Delivery</b> An internal working group focussed on learning from complaints is being arranged to meet quarterly
												Reports must be designed to meet all complaint reporting needs. (6 months)	<b>3rd Follow Up</b> Outstanding <b>Assistant Director Customer Service and Delivery</b> Not yet started
												All service areas must be responsible for monitoring and recording their own complaints data in a standardised format for timely submission to Customer First to meet PI reporting requirements. (6 months)	<b>3rd Follow Up</b> In progress <b>Assistant Director Customer Service and Delivery</b> This will form part of the internal working groups terms of reference

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<b>Grounds Maintenance</b> February 2024	Minimal	5	4	0	Sep 24	First	Minimal	4	3	0	Jan 25	Consideration must be given to how best to monitor contract service delivery and performance most effectively with the resources available, including: ensuring the contractor provides the contract management and monitoring information required of them under the terms of the contract, and by identifying key areas which must be monitored regularly and those which can be monitored less frequently by carrying out intermittent spot checks. (3 months)	<b>In progress</b> The contractor is providing daily schedule emails and weekly inspection tick sheets.  <b>Internal Audit Comment</b> The Auditor requested examples of the spot checks undertaken but these were not provided. The Auditor also requested a copy of the complaints log the contractor is required to provide monthly but did not receive a copy. These will be confirmed as part of the next review in three months
												Contract management records must be maintained in accordance with the joint Data Retention, Storage and Disposal Policy. The records must be filed centrally, be accessible to all relevant staff, and be sufficient to support management of all aspects of the contract. (3 months)	<b>In progress</b> <b>Neighbourhood First Operational Manager</b> As original comment, the contract files have been moved to a drive that is accessible to the relevant staff <b>Internal Audit Comment</b> The Auditor was advised that a contract management filing system is to be agreed and implemented by August 2024. This will be reviewed as part of the next review in three months

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<b>Grounds Maintenance</b> February 2024 <b>Continued</b>	Minimal	5	4	0	Sep 24	First	Minimal	4	3	0	Jan 25	The format of the contract meeting minutes must be reviewed, revised and implemented to ensure that good practice is followed, including adherence to an agenda, agreement of previous minutes, clearly recorded agreed actions (what, who, when) with updated actions addressed under matters arising at next meeting.  (1 month)	<b>Partially addressed</b>  The minutes now adhere to the standing agenda, however, actions agreed during the meeting (what, who, when) are not clearly recorded.  <b>Neighbourhood First Operational Manager</b> As original comment above
												The contract must be reviewed in a timely manner to ensure that sufficient time is available to consider future options and proposals for grounds maintenance contracts in Lewes and Eastbourne Councils and so that the approved option(s) are ready for implementation once the current contract expires on 31 March 2026.  (12 months)	<b>In progress</b>  <b>Neighbourhood First Operational Manager</b> With additional support now in place this will be achieved in the time frame required  <b>Internal Audit Comment</b> The Auditor requested confirmation of the additional support put in place, but this information was not provided. This will be confirmed as part of the next review in three months.

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<b>Grounds Maintenance</b> February 2024 Continued	Minimal	5	4	0	Sep 24	First	Minimal	4	3	0	Jan 25	For ease of monitoring, consideration should be given to extracting the requirements of both the Authority and the Contractor from all relevant contract documents, including the contract, the specification, and change control orders.  (6 months)	<b>In progress</b> <b>Neighbourhood First Operational Manager</b> With additional support now in place this will be achieved in the time frame required
												Performance indicators must be used to measure the Contractor's performance over time.  (3 months)	<b>In progress</b> <b>Neighbourhood First Operational Manager</b> As original comment above  <b>Internal Audit Comment</b> Details of the KPIs were requested but not provided. This will be confirmed as part of the next review in three months
												Performance figures must be reported on to CMT and significant or ongoing issues must be reported on to CMT and committee.  (3 months)	<b>In progress</b> <b>Neighbourhood First Operational Manager</b> As original comment above  <b>Internal Audit Comment</b> The Auditor requested examples of issues reported to CMT but these were not provided. This will be confirmed as part of the next review in three months



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Counter Fraud Management March 24	Substantial	1	4	0	Aug 24	First	Substantial	0	3	0	Nov 24	<p>Recommended improvements on failing fraud controls should be recorded and a scheduled in follow up should take place to ensure failing controls have been reviewed.</p> <p>(6 months)</p>	<p><b>Outstanding Counter-Fraud Investigations Manager Comment</b> I have created a spreadsheet, to record any incidents with actions/ recommendations for improvements on failing fraud controls. I shall incorporate this into my quarterly reviews, so any issues are recorded.</p>
												<p>Current and emerging fraud risks should be reported to Internal Audit.</p> <p>(3 months)</p>	<p><b>Outstanding Counter-Fraud Investigations Manager Comment</b> Current and emerging fraud risks are informally shared on an ad hoc basis with Internal Audit via management meetings attended by the Fraud Investigations Manager, Audit Manager, and the Chief Internal Auditor and when both teams work alongside each other in the office.</p> <p><b>Chief Internal Auditor Comment</b> I will add current and emerging fraud risks to the Audit and Counter Fraud management meeting agenda as a standing item to formalise the reporting of this information.</p>

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<b>Counter Fraud Management</b> March 24 continued	Substantial	1	4	0	Aug 24	First	Substantial	0	3	0	Nov 24	There should be a more structured approach to counter-fraud training ensuring training and refresher training is scheduled for all teams. (3 months)	<b>Outstanding</b> The OLLE course has had approval from HR. However, the Counter-Fraud Investigations Manager is in the process of exploring how he could include videos within the training as he wants to ensure the training is impactful.
<b>Equalities and Diversity</b> April 24	Substantial	2	2	1	Sep 24	First	Substantial	0	1	0	Jan 25	A reminder must be sent out to officers and members to complete their Equality and Diversity training on OLLE. (3 months)	<b>In Progress</b> 73% of officers have completed their Equality and Diversity training. The auditor was advised that a reminder was sent out and that the course is currently being revised. When this work has been completed HR will send out another email asking all staff to complete this course again.

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**ANNUAL AUDITS**

AUDIT	Original Assurance Level	Latest Update	High	Medium	Low	Outstanding recommendations	Update
<p><b>Payroll (22/23)</b> December 2023</p>	<p>Substantial</p>	<p>Nov 24</p>	<p>0</p>	<p>3</p>	<p>1</p>	<p><b>2020/21 Outstanding Recommendation</b> All pay awards must detail an explanation for why the award is being made. (6 months)</p>	<p><b>2020/21 and 2021/22 Client Comment</b> HR Business Partners will ensure that payroll are provided with a summary of the additional duties that are being undertaken, how the payment for these has been calculated and the period to which the payment relates, to the best of the information provided to us at the time.  HR will also check any calculations provided by managers.  <b>2022/23 Head of HR</b> HR will remind managers of the requirement for this.  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding as no samples to test</b></p>
						<p><b>2020/21 Recommendation Outstanding</b> All discretionary pay awards must detail an explanation for why the award is being made (6-12 months)</p>	<p><b>Outstanding action from 2020/21</b> HR Business Partners will ensure that payroll are provided with a summary of the additional duties that are being undertaken, how the payment for these has been calculated and the period to which the payment relates, to the best of the information provided to us at the time. HR will also check any calculations provided by managers.  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding as no samples to test</b></p>

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<b>Payroll (22/23)</b> December 2023 <b>Continued</b>	Substantial	Nov 24	0	3	1	<b>2020/21 Recommendation Outstanding</b> Records for agreed acting up and honorarium allowances must detail how each payment was calculated and each calculation must be independently checked for accuracy. There must be an easily identifiable record of this on D360.  <i>(2022/23 Auditor Note: this outstanding recommendation has been superseded by the revised recommendation below to reflect HR's confirmation that D360 is not compatible to many HR processes).</i>  <b>2022/23 Recommendation</b> Records for agreed acting up and honorarium allowances must detail how each payment was calculated and each calculation must be independently checked for accuracy.  (6 months)	<b>2020/2021 and 2021/22 Client Comment</b> HR Business Partners will ensure that payroll are provided with a summary of the additional duties that are being undertaken, how the payment for these has been calculated and the period to which the payment relates, to the best of the information provided to us at the time. HR will also check any calculations provided by managers.  <b>2022/23 Head of HR</b> Agreed  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding as no samples to test</b>
						<b>2020/21 Recommendation Outstanding</b> For transparency, an annual report listing honoraria, acting-up, ex-gratia and added responsibilities payments made should be submitted to CMT. <i>(2022/23 Auditor Note: this outstanding recommendation has been superseded by the revised recommendation below.)</i>  <b>2022/23 Recommendation</b> For transparency, an annual report listing honoraria and acting up / additional responsibilities payments must be submitted to CMT.  (6 months)	<b>2020/2021 and 2021/22 Client Comment</b> Agreed.  <b>2022/23 Head of HR</b> Agreed  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is In Progress</b>

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Debtors (21/22) Follow Up	Partial	Nov 24	2	5	0	<p>The VAT codes used on burial service-related invoices and leasehold maintenance fee invoices must be reviewed by an Accountant / VAT Tax Specialist.</p>	<p><b>Accountant (Corporate Finance)</b> Initial review undertaken. Follow-up questions being asked to understand exactly what is being charged for. May need to refer some of them to PSTAX (Public Sector Tax Consultancy).</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is In Progress</b></p>
						<p><b>Recommendation outstanding from 2020-21</b> Written procedures for write offs must be updated.</p> <p><b>Recommendation amended for 2021-22</b> Aligned procedures must be written for writing off sundry debtor debts and made available to appropriate staff.  (6 months)</p>	<p><b>Deputy Chief Finance Officer</b> Agreed. Target date 9 months from date follow-up report issued.</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>
						<p>The VAT codes linked to charge codes must be reviewed and steps taken to ensure the correct VAT codes are linked to all new charge codes.</p>	<p><b>Systems and Transactional Manager and Accountant (Corporate Finance)</b> A review of the current codes and monitoring of new codes have resource implications that need to be considered.</p> <p><b>Deputy Chief Finance Officer</b> VAT codes used in past 12 months to be sampled to identify codes that may require a more detailed review. Target date 12 months</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is In Progress</b></p>

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AUDIT	Original Assurance Level	Latest Update	High	Medium	Low	Outstanding recommendations	Update
Debtors (21/22) Follow Up continued	Partial	Nov 24	2	5	0	<p><b>Recommendation outstanding from 2020-21</b> It must be ensured that adequate checking of any amendments made is carried out and any unusual transactions questioned.</p> <p><b>Recommendation amended for 2021-22</b> Running regular reports on new and amended charge codes must be implemented as the key compensating control for managing risk posed by many users having access to set-up and amend charge codes.</p> <p>(3 months)</p>	<p><b>Deputy Chief Finance Officer</b> Agreed. To be addressed this [fiscal] year. Target date 3 months from date follow-up report issued.</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is In Progress</b></p>
						<p><b>Recommendation outstanding from 2019-20</b> The debt recovery procedures should be rewritten.</p> <p><b>Recommendation outstanding from 2020-21</b> The Debt Recovery Procedures guide should be updated to include current job titles, of senior managers that are required to authorise writing off debt.</p> <p><b>Recommendations amended for 2021-22</b> An aligned procedure reflecting an overarching corporate arrears collection strategy that fully details the arrears and recovery processes in place for overdue amounts must be drafted and regularly reviewed.</p> <p>(6 months)</p>	<p><b>Deputy Chief Finance Officer</b> Agreed. Target date 9 months from date follow-up report issued.</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>
						<p>Heads of Service and managers must be reminded that when requesting authorisation and counter authorisation to write off a debt, all debt recovery steps undertaken must be listed and fully documented, and the reason(s) for the write off request must be explicitly stated.</p> <p>(3 months)</p>	<p><b>Deputy Chief Finance Officer</b> Agreed. Target date 9 months from date follow-up report issued.</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>

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

AUDIT	Original Assurance Level	Latest Update	High	Medium	Low	Outstanding recommendations	Update
Debtors (21/22) Follow Up continued	Partial	Nov 24	2	5	0	<p><b>Outstanding Recommendation from 2019/20</b></p> <p>Evidence of details for the invoice and the authorisation for raising these must be retained.</p> <p><b>Outstanding Recommendation from 2021/22</b></p> <p>Heads of Service and managers must be reminded that the authoriser must be specified on the requisition whatever the format the requisition takes (form, spreadsheet, email). Email authorisations must remain attached to requisitions so that both documents are retained together. Invoices must not be raised without authorisation.</p>	<p><b>2022/23 Audit</b></p> <p>Confirmed in 2021/22 debtors Audit follow up that steps are being taken to address these recommendations. In progress</p> <p><b>Current update</b></p> <p><b>Follow up completed after end of Q3 shows this recommendation is In Progress</b></p>
Main Accounting (21/22) Follow Up	Partial	Nov 24	1	3	1	<p>Finance and IT must work together to get historical bank reconciliation variances cleared as a matter of urgency.</p> <p>(6 months)</p>	<p>Historic variances remain on the system.</p> <p><b>DCFO Comment:</b></p> <p>A fresh approach to this issue is needed to understand its history, establish what attempts have already been made to rectify it, and to obtain a written reason from Civica regarding the current position and what, if anything, can be done to rectify it.</p> <p><b>Current update</b></p> <p><b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>
						<p>As well as showing when the financial procedure rules were written, the documents should include an indication of when they will be reviewed.</p> <p>(6 months)</p>	<p>There has been no update of the Financial Procedure Rules since the report was issued in January 2023 and no date for review has been added.</p> <p><b>DCFO Comment</b></p> <p>In consultation with the Audit and Governance Committees, a formal schedule of reviewing and updating the Financial Procedure Rules needs to be agreed.</p> <p><b>Current update</b></p> <p><b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>

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

AUDIT	Original Assurance Level	Latest Update	High	Medium	Low	Outstanding recommendations	Update
Main Accounting (21/22) Follow Up continued	Partial	Nov 24	1	3	1	<p><b>Outstanding Recommendation from 2019/20</b> Financial policies and procedures must be reviewed and updated to include the restructure of Finance, the changes in IT systems and all officer roles. All documents must have a record of the date reviewed, the next review date and the officer responsible. Policies and procedures must be filed in a central location and time set aside in the annual finance timetable to ensure they are up to date.</p> <p><b>Recommendation 2022</b> A list of up-to-date finance procedures should be collated, including procedure name and date, to allow for ease of monitoring and to ensure that procedures are written for any areas that are lacking procedures.  (6 months)</p>	<p><b>DCFO Comment</b> The Chief Finance Officer has identified and discussed with Managers the need to improve policies and procedures across the area, with an emphasis on consistent reporting.</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>
						<p>A decision must be taken, procedures written, and action verified around whether reconciliations should clearly identify who carries them out and how often, and by whom, they should be checked.  (6 months)</p>	<p>Testing revealed that reconciliations are signed and dated by the officer undertaking the reconciliation, but not signed and dated by a second officer.</p> <p><b>DCFO Comment</b> The Chief Finance Officer has identified and discussed with Managers the need to improve policies and procedures across the area, with an emphasis on consistent reporting.</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is In Progress</b></p>
						<p>All working papers should have the name of the officer reviewing as well as the officer completing them.  (6 months)</p>	<p>Some working papers are still in draft and have yet to be signed off.</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>



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

AUDIT	Original Assurance Level	Latest Update	High	Medium	Low	Outstanding recommendations	Update
Treasury Management (21/22) Follow Up	Substantial	Nov 24	0	1	1	<b>Recommendation outstanding from 2020/21</b> Formal training must be organised to ensure that adequate contingency arrangements are in place to cover for unplanned staff absence (6 months)	The Head of Financial Reporting stated that there are no resources for additional staff who could be trained for Treasury Management. A request has been put forward for redeployed resourcing from within the team which should create more resilience.  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b>
						<b>Recommendation outstanding from 2020/21</b> Work on updating and aligning internal Treasury Management Procedures must be completed. (6 months)	The auditor observed significant updates on the procedure documents, however the main Treasury Management Practices is yet to be finalised. It was confirmed that the documents are still a work in progress.  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b>
Creditors (21/22)	Substantial	Nov 24	0	1	0	Clear guidelines should be drawn up and distributed to all officers that manage faster payments (3 months).	<b>DCFO Comment:</b> Guidelines will be developed. <b>Outstanding</b> Agreed timeframe for completion 3 months  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b>
Cash and Banking (21/22) Follow Up	Minimal	Nov 24	1	1	1	A list of all of the cash offices within the organisations must be maintained within Finance; the list should also detail safes or cash storage facilities and key holders. (3 months)	<b>Audit Comment</b> A list of council offices that deposit cash has been started, though the list has yet to have details added.  <b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b>

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

AUDIT	Original Assurance Level	Latest Update	High	Medium	Low	Outstanding recommendations	Update
Cash and Banking (21/22) Follow Up continued	Minimal	Nov 24	1	1	1	<p>The cash limits and insurance cover for all cash offices and safes must be reviewed to ensure there is adequate cover. Cash limits for individual safes must be shared with appropriate members of staff.</p> <p>(6 months)</p>	<p>The Insurance Officer reported that a central, definitive list of all council cash offices is required before appropriate and adequate insurance cover can be put in place.</p> <p><b>Audit Comment</b> A list of council offices that deposit cash has been started, though the list has yet to have details added.</p> <p>Timeframe 9 months</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>
						<p><b>Recommendation outstanding from 2020/21</b> Procedures must be reviewed to ensure that bank charges are correct and monitored</p> <p>(3 months)</p>	<p><b>Head of Financial Reporting</b></p> <p>There has been an ongoing issue with receiving these statements from the post room. The post room have been informed to scan and email the statements to the relevant Finance Officer. The bank has advised that, going forward, they will be issuing statements electronically</p> <p><b>Current update</b> <b>Follow up completed after end of Q3 shows this recommendation is Outstanding</b></p>