

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

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
<p>Business Continuity Planning</p> <p>November 20</p>	Minimal	4	0	0	06.12.22	Fifth	Partial The assurance level of this review was downgraded to Partial because of the lack of progress.	1	0	0	Ongoing	Business Continuity Plans for every department must be completed and adopted as soon as possible. (6 months)	<p>AUDIT COMMENT</p> <p>The Regulatory Services Lead was contacted for an update on the production of departmental Business Continuity Plans. At the 4th follow up it was reported that guidance was being written for Heads of Service on how to convert their completed Business Impact Assessments into Business Continuity Plans.</p> <p>The Regulatory Services Lead responded that the majority of departments (as of late October 2022) had completed their Business Impact Assessments and were in the process of converting these into Business Continuity Plans. She added that training had been given and completed Business Continuity Plans were shown as examples as part of that training. A template for a Business Continuity Plan was also</p>

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													<p>given out at the training. This was delivered as an alternative to writing guidance.</p> <p>She stated that there was a deadline of completing Business Continuity Plans by the end of October and that she was monitoring what was coming in.</p> <p>The Regulatory Services Lead was asked to send Audit a list of completed Business Continuity Plans that had already been returned so that it could be seen how many had been returned and to select a sample to check.</p> <p>No response has been received to this request so the report was issued.</p>
<p>Arrears Collection</p> <p>January 2021</p>	Partial	2	2	3	07.11.22	Fourth	Substantial	0	0	1	Apl 23	<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>The Deputy Chief Finance Officer has indicated that, in order for a fully developed strategy to be written, the target for completion is for the new financial year (April 2023).</p>

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Members Allowances January 2021	Substantial	0	3	0	10.10.22	Third	Substantial	0	2	0	Feb 23	<p>All expenditure must be evidenced by official VAT receipts. Where expenditure includes VAT, reimbursement must be claimed through the creditors system. (1 month)</p>	<p><u>Audit Comment</u> Audit identified errors when testing was carried out for the follow up review.</p> <p><u>Head of Democratic Services</u> On-line forms are being developed in an attempt to reduce the potential for errors.</p>
												<p>All expenditure must be charged to the correct general ledger code. (1 month)</p>	<p><u>Audit Comment</u> Audit identified errors when testing was carried out for the follow up review.</p> <p><u>Head of Democratic Services</u> On-line forms are being developed in an attempt to reduce the potential for errors.</p>

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REPORTS ISSUED 21/22

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Love Clean Streets Application December 21	Partial	3	1	0	22.09.22	Third	Partial	1	0	0	Jun 23	A new contract must be negotiated with BBITS for the use of the Love Clean Streets service, in accordance with the Contract Procedure Rules. The contract must be passed through Legal Services. (3 months)	Will speak with IT to get pointed in the right direction to get this resolved.
Film Liaison Unit January 22	Minimal	13	2	0	28.09.22	First	Minimal	8	1	0	Ongoing	Governance, service standards and performance monitoring must be included in the contract. (3 months)	Initial contact made and information on the service supplied. Contract details to be defined in due course
												The Terms and Conditions issued by SFO on behalf of the council must be reviewed and agreed by Legal Services. (3 months)	Initial contact made and information on the service supplied. Contract details to be defined in due course.
												The invoicing process detailed in the contract and the invoicing process actually followed, must be aligned and the contract reworded as appropriate under the advice of the council's Legal Services department. (3 months)	Initial contact made and information on the service supplied. Contract details to be defined in due course.

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											<p>The permit cost schedule must be agreed by the council and any administration fees clearly defined within the contract.</p> <p>(3 months)</p>	<p>Not started</p>
											<p>There must be regular timetabled meetings to monitor the contract and to inform an annual meeting to discuss the extension of the contract, any changes to the contract, the performance over the previous year and any plans for the following year.</p> <p>(3 months)</p>	<p>Initial contact made and information on the service supplied. Contract details to be defined in due course.</p>
											<p>A specific, easily accessible folder must be created for contract and monitoring related documents.</p> <p>(1 month)</p>	<p>This will happen once the contact is in place.</p>
											<p>Procedures for the Film Liaison Unit must be drawn up and aligned across both councils.</p> <p>(1 month)</p>	<p>Written procedures have been written but will need to be aligned with the contract once it is in place.</p>
											<p>End of year reconciliation, between permits granted, invoices received from SFO and paid over the</p>	<p>Evidence of an end of year meeting was in place but no report. The next stage of Fame updates should provide the ability to complete this task with ease.</p>

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Construction Industry Scheme February 2022	Partial	0	6	0	01.02.23	First	Partial	0	6	0	Jun 23	Procedures for CIS payments must be written up and regularly updated as directives from HMRC change. (6 months)	Procedures for CIS payments will be developed and regularly updated in line with the HMRC changes.
												<ul style="list-style-type: none"> New starters working with CIS payments must have training and existing staff must be given refresher courses. All Payment Team members should sign up for the free HMRC advice, webinars and update alerts. (6 months)	No training has been carried out since the report, however the Systems and Transactional Manager confirmed that CIS training is on the agenda for 2022-23.
												When a new supplier is set up on the system, a visual refence (screenshot or HMRC document) must be saved to the supplier's file to establish the supplier's starting tax status. (6 months)	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.
												CAFi Payment reports (Gross, Normal and Higher) and HMRC Returns Reports must	Payments reports for three out of 12 months were not available. The new Creditor Team Leader agreed that a

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												be generated and filed for every month. (3 months)	reminder to be sent to all relevant staff regarding the filing of these reports.
												Regular Deduction Statements must be sent to contractors who have CIS deductions taken from their payments. The Statements must be filed chronologically. (3 months)	A Risk Assessment will be carried out to establish any weaknesses in controls and processes.
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