

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

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
IR35 (Off Payroll Working)	No	8	6	0	30.11.21	Second	Full	0	0	0	N/A	N/A	N/A
Members Allowances	Substantial	0	3	0	22.12.21	Second	Substantial	0	2	0	Apr-22	All expenditure must be evidenced by official VAT receipts. Where expenditure includes VAT, reimbursement must be claimed through the creditors system.	<u>Audit Comment</u> No claims including VAT had been made by the time of the follow up so this could not be checked
												All expenditure must be charged to the correct general ledger code.	<u>Audit Comment</u> Testing at follow up revealed one claim had been incorrectly coded
Procurement	Partial	0	11	0	16.12.21	Second	Partial	0	9	0	Apr-22	A Procurement Strategy must be written, adopted and disseminated.	Due to working pressures this has not progressed however, it has been agreed that the Strategic Procurement Manager role will be made permanent from 1st January 2022. This should help facilitate its progress however, the appointment has not yet been formalised by the issue of a contract.
												A Procurement Forward Plan must be written, adopted and disseminated.	In progress, a number of business plans have been received to support the developments of the forward plans. There is potential for this to be incorporated into the

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													Community Wealth Building Officer role.
												Performance against the Procurement Forward Plan must be monitored and reported.	<p>The comments from the last follow up apply and the Strategic Procurement Manager has monitored savings and social value commitments against the procurements which he has managed.</p> <p><u>Audit comment:</u> Responsibility for updating the contract register going forward must be identified.</p>
												Policies and procedures must clearly state that Corporate contracts must be publicised around the Council.	<p>Councils are required to publish transparency data about their contracts on a quarterly basis. Although the councils' contract registers are published on the website, they are incomplete and the data in some cases is inaccurate.</p> <p><u>Audit comment:</u> Responsibility for updating the contract register going forward must be identified.</p>
												Policies and procedures must clearly state that where corporate contracts exist these, and no other company, must be used.	Amendments to the Contract Procedure Rules are still being worked on.

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												<p>Creditor expenditure must be regularly reviewed and investigated to highlight opportunities to put contracts in place and identify failure to use current corporate contracts.</p>	<p>Spend analysis is completed on an annual basis.</p> <p><u>Audit comment:</u> To ensure that expenditure out of contract is identified promptly spend analysis should be completed on a more regular basis.</p>
												<p>Non-compliance of raising purchase orders must be monitored and persistent offenders reported to the head of the relevant service area.</p>	<p>We are reviewing available resources to be able to implement this new initiative including assigning the new interim systems accountant to this task to ensure compliance.</p>
												<p>A note must be added to guidance on raising invoices reminding officers to: • check the contracts register to consider whether their order could fall under the remit of a supplier with whom the organisation has an outstanding contract. Where a corporate contract exists these, and no other company, must be used • prompt officers to consider using suppliers already set up on the creditors system for a similar product</p>	<p>Guidance for raising purchase orders will be updated to remind officers to check the contracts register for the supply of goods and services.</p>

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												The ability to expand the "Types" facility within Creditors must be investigated and if possible use of "Types" implemented across EBC, LDC, EHL and SEESL.	A meeting with the Strategic Procurement Manager will be arranged to consider the use of "Types" and whether this would work.
Business Continuity Planning	Minimal	4	0	0	20.12.21	Third	Partial	2	0	0	Apr-22	Business Continuity Plans for both councils must be completed and adopted as soon as possible.	The County Emergency Planning Officer was going to assist in training our Heads of Service (HOS) to complete their Business Impact Assessments. However the officer has now left and our Emergency Planning Officer, who has undertaken a week's intensive training course on business continuity will be undertaking the training of HOS with the Emergency Planning Officer and Regulatory Services Lead and Emergency Planning Officer in the New Year.
												Business Continuity Plans for every department must be completed and adopted as soon as possible.	The County Emergency Planning Officer was going to assist in training our Heads of Service (HOS) to complete their Business Impact Assessments. However the officer has now left and our Emergency Planning Officer, who has undertaken a week's intensive training course on business continuity will be undertaking the training of HOS with the Emergency Planning

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													Officer and Regulatory Services Lead and Emergency Planning Officer in the New Year.
Arrears Collection	Partial	2	2	3	06.09.21	First	Partial	2	1	3	Ongoing	<p>Action must be taken to investigate the possible recovery of old debts.</p> <p>Where appropriate consideration must be given to writing off old debts as irrecoverable.</p>	<p>The Income Maximisation and Welfare Team (IMWT) will need to balance the recovery and management of older debts against in-year collection performance to ensure any shift in resource to collect and write off legacy debt doesn't impact on in year performance and income levels. Two different recovery strategies are under consideration for overpaid housing benefit collection to support the IMWT in managing and collecting both new and aged debt.</p> <p>A report setting out the options for dealing with overpaid housing benefit, including statute barred debt will be considered by CMT.</p>

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												<p>Consideration should be given to aligning all income and recovery departments under the management of Customer First / Account Management</p>	<p>This is being considered outside of the Customer First Resolution Team restructure and is subject to wider conversations.</p>
												<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>The Fair Debt Policy will be reviewed and updated to take account of the changes in the organisation and the Breathing Space legislation.</p>
												<p>A review of the terms of Debtor accounts should be undertaken to ascertain if it is possible or practical to add interest to unpaid invoices.</p>	<p>Via the relevant Strategic Property Boards, we agreed that we could enter into payment plans with tenants of up to 6 months on a case by case basis during the pandemic and we have not added interest on to those amounts due. Leases sometimes allow provision that we could add interest if we feel the situation is relevant, but the reality is that, particularly over the last 18 months, tenants have been struggling to such a degree that increasing the rent they owed would have likely seen them fail – leaving us with bigger issues of empty units.</p>

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												Investigation should be undertaken to ensure Aged Debt Analysis reports are available for all income streams and used for monitoring recovery of arrears.	Ongoing investigations are taking place.
Implementation of Housing Software	Partial	2	0	1	10.09.21	First	Substantial	1	0	0	Ongoing	Resources must be made available to ensure constructive communication and cohesive working across the teams enables knowledge sharing to produce the required report parameters.	The councils' approach to report writing has been consolidated through the recent reshaping exercises in Business Planning and Performance and IT BAU. A Recruitment Authorisation Form will shortly be submitted to CMT to consider a new, more resilient and sustainable approach to report writing. The work to explore how the Change Agents and/or a solution sprint could help with this work is currently being scoped.
Leaseholder Management and Recharges	Partial	0	2	0	10.09.21	First	Substantial	0	1	0	Ongoing	The Leaseholder Handbook must be reviewed and updated.	Material for both authorities secured and initial draft compilation 30% complete. Aim to have 1st draft ready by end of Q3 for consultation with Leaseholder panel
Fly Tipping	Partial	0	7	0	22.09.21	First	Partial	0	7	0	Ongoing	The councils must develop a fly-tipping policy and strategy.	Due to recent reshaping delivery this has not yet been undertaken. New Head of Neighbourhood First role will take this forward with Neighbourhood First Manager when appointed and Senior Specialist Adviser (Waste) and the Lead for Waste

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												<p>The current procedures must be reviewed to ensure that they are up to date and include the following: • accurately recording evidence of the fly tip • all investigation steps taken • all enforcement action taken</p>	<p>Neighbourhood First Manager post is due to be recruited to as part of reshaping delivery. Neighbourhood First Team leaders can ensure procedures are updated</p>
												<p>Procedures must be put in place to monitor the following: • administration of fly-tipping • decision making • penalty notices issued • record of payments received • action taken when payments are not received</p>	<p>Neighbourhood First Manager post is due to be recruited to as part of reshaping delivery. Neighbourhood First Team leaders can ensure processes are reviewed</p>
												<p>Standard fly-tipping letters must be reviewed, aligned and made available for use by all officers in Neighbourhood First.</p>	<p>Neighbourhood First Manager to take forward once recruited</p>
												<p>Photographic evidence and copies of letters must not be stored in officers' personal folders. Arrangements must be made for this information to be stored in a central location using a uniform approach.</p>	<p>Neighbourhood First Manager to take forward once recruited</p>
												<p>A plan of regular anti fly-tipping campaigns must be established to target different types of fly-tipping to include residents, traders, and those operating businesses from home.</p>	<p>Neighbourhood First Manager to take forward once recruited</p>

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												Consideration must be given to reinstating meetings with other local authorities and organisations to share knowledge, methods of working and discuss what action can be taken to target fly-tipping and raise awareness in the community.	Neighbourhood First Manager to take forward once recruited
Internet/Intranet/Telephone Payments	Partial	0	4	0	21.10.21	First	Full	0	0	0	N/A	N/A	N/A
Officers Expenses	Substantial	2	2	11	09.11.21	First	Substantial	0	1	5	Mar-22	The Reimbursement of Officers Expenses via Creditors claim form must be updated to include a link to up to date relevant council rules.	There has been staff availabilities issues and I will suggest the deadlines are extended.
												Officers expenses claims forms should be amended to have a tick box to be completed to show that a VAT receipt has been attached and a disclaimer that expenses claims may be questioned if there is no VAT receipt or the receipt is illegible.	There has been staff availabilities issues and I will suggest the deadlines are extended.
												Consideration should be given to listing the most regularly used detail codes on the instructions tab of the Officers Expenses claim form. (e.g. travel, subsistence, equipment etc) and a note to cross reference this put onto the form itself.	There has been staff availabilities issues and I will suggest the deadlines are extended

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												The mileage claim form must be changed to ask for the total mileage as calculated by AA route planner and not ask for mileometer readings. A screen dump of the AA route planner showing the route and total mileage should also be asked for on the claim and no claim processed unless a screen dump was sent with the claim.	The claim form on the Hub has not been updated regarding mileage calculation and Head of HR confirmed that they were not aware of any mileage calculation claim form changes.
												Claims for off-peak travel between Lewes and Eastbourne must be paid at the post 9am return rail fare once the appropriate Easit discount has been applied regardless of whether the officer claiming used the Easit discount in accordance with the Travel Policy.	To be raised at the next Senior Manager Forum.
												Detail codes quoted on expense claim forms must be checked, prior to payment being made, to ensure that where the claim is relates to an obvious cost (e.g. subsistence) the correct code has been used.	To be raised at the next Senior Manager Forum.

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No follow ups yet due