

**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><b>Business Continuity Planning</b></p> <p>November 20</p>	Minimal	4	0	0	11.05.22	Fourth	Substantial	1	0	0	Nov 22	<p>Business Continuity Plans for every department must be completed and adopted as soon as possible.</p> <p>(6 months)</p>	<p>The Emergency Planning Officer is producing guidance for Heads of Service on how to convert their completed Business Impact Assessments into Business Continuity Plans.</p> <p><u>Audit comment</u></p> <p>The overarching Business Continuity Plan is in place and progress is well underway with producing both Business Impact Assessments and Business Continuity Plans for departments. As the guidance needs to be given and the plans written, a further review of the departmental plans will be carried out in six months.</p>

Appendix C – Internal Audit and Counter Fraud report – Apr-Jun 2022

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Procurement December 2020	Partial	0	11	0	16.12.21	Second	Partial	0	9	0	Apr-22	A Procurement Strategy must be written, adopted and disseminated. (12 months)	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. (6 months)	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 Community Wealth Building Officer role.
												Performance against the Procurement Forward Plan must be monitored and reported. (6 months)	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.  <u>Audit comment:</u> Responsibility for updating the contract register going forward must be identified.

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												<p>Policies and procedures must clearly state that Corporate contracts must be publicised around the Council. (12 months)</p>	<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.  <u>Audit comment:</u> Responsibility for updating the contract register going forward must be identified.</p>
												<p>Policies and procedures must clearly state that where corporate contracts exist these, and no other company, must be used. (12 months)</p>	<p>Amendments to the Contract Procedure Rules are still being worked on.</p>
												<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. (6 months)</p>	<p>Spend analysis is completed on an annual basis.  <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</p>	<p>We are reviewing available resources to be able to implement this new initiative including assigning the new interim</p>

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												the relevant service area. (6 months)	systems accountant to this task to ensure compliance.
												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 (3 months)	Guidance for raising purchase orders will be updated to remind officers to check the contracts register for the supply of goods and services.
												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. (6 months)	A meeting with the Strategic Procurement Manager will be arranged to consider the use of "Types" and whether this would work.

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<b>Leaseholder Management and Recharges</b> December 2020	Partial	0	2	0	28.06.22	Third	Substantial	0	1	0	Sep-22	The Leaseholder Handbook must be reviewed and updated. (6 months)	The first draft was completed in April 2022.  The resident representative responsible for the EBC leaseholder consultation has been in hospital. This has halted the consultation process for EBC, we are currently looking for a suitable replacement.  If the consultations for the new handbook have not been completed by August, then we will look to publish an interim leaseholder handbook online.
<b>Arrears Collection</b> January 2021	Partial	2	2	3	24.05.22	Third	Substantial	0	0	1	Oct-22	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. (3 months)	An overarching corporate arrears collection strategy will be considered and adopted. It is expected that this will be completed by September 2022.
<b>Members Allowances</b> January 2021	Substantial	0	3	0	22.12.21	Second	Substantial	0	2	0	Jun-22	All expenditure must be evidenced by official VAT receipts. Where expenditure includes VAT, reimbursement	Audit Comment No claims including VAT had been made by the time of the follow up so this could not be checked

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												must be claimed through the creditors system. (1 month)	
												All expenditure must be charged to the correct general ledger code. (1 month)	<u>Audit Comment</u> Testing at follow up revealed one claim had been incorrectly coded
Officers Expenses February 2021	Substantial	2	2	11	09.11.21	First	Substantial	0	1	6	Jul 22	The Reimbursement of Officers Expenses via Creditors claim form must be updated to include a link to up to date relevant council rules. (3 months)	An initial start has been made on an updated claim form.
												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. (3 months)	An initial start has been made on an updated claim form.
												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	An initial start has been made on an updated claim form.

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												reference this put onto the form itself. (3 months)	
												A field must be added to the car mileage claim form to indicate if the mileage is undertaken by cycle rather than car. (3 months)	An initial start has been made on an updated claim form.
												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. (3 months)	An initial start has been made on an updated claim form.
												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.	Deputy Chief Finance Officer confirmed that due to unforeseen meeting rearrangements the item was not raised at the last Senior Managers Forum.  Deputy Chief Finance Officer confirmed that it will be added to next meeting's agenda.

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												(1 month)	
												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. (3 months)	Deputy Chief Finance Officer confirmed that due to unforeseen meeting rearrangements the item was not raised at the last Senior Managers Forum.  Deputy Chief Finance Officer confirmed that it will be added to next meeting's agenda.
<b>Fly Tipping</b> March 2021	Partial	0	7	0	13.07.22	Third	Full	0	0	0		All recs addressed	

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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
<b>Stage Door</b> November 21	Minimal	7	8	2	16.05.22	First	Minimal	5	7	0	Aug 22	Measures must be put in place to ensure stock controls are effective, and stock is strictly controlled including. (3 months)	Laptop in place.  New stock control procedures and processes being implemented.  Touch Office being updated with reset due for end of March.  Tablet purchased exclusively for stock movement.  Touch Office training underway.



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													More frequent stock takes happening
												<p>Adequate monitoring must be put in place to ensure that all income and information required for monitoring and reconciliation is accurately recorded while the original supporting paperwork is on hand and before income is passed to the Finance team for banking.</p> <p>(3 months)</p>	<p>New cashing up and e-return procedures in progress.</p> <p>New card machines in place with one merchant number.</p>
												<p>Procedures must be introduced to ensure that the councils' income and expenditure is recorded accurately. Discrepancies must be dealt with promptly.</p> <p>(3 months)</p>	<p>Credit card in place.</p> <p>However, further testing showed cash payment of £350 for live entertainment which is not within procedures. All live entertainment must be paid for through BACS.</p> <p>Ledger entry needs clarifying</p>
												<p>Procedures must be put in place to ensure customers pay for all food and drink purchased during their visit.</p> <p>(3 months)</p>	<p>Unpaid for meals issue has been resolved.</p> <p>Outstanding issue with occasional customer leaving without paying bar tabs.</p>

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												Two members of staff should be present when the tills are closed down, reconciled and income is prepared for banking at the end of the day. The process must be carried out in a secure area.  (3 months)	Procedures in progress.
												Consideration should be given to the purpose of the information collated, how much of the information is simply being copied into spreadsheets and IT consulted to establish whether a program can be written to automate part of the process.  (3 months)	To be looked at when Touch Office update is complete.
												A review of The Stage Door, Sovereign Centre and the Welcome Building must be undertaken to ensure adequate insurance is in place.  (3 months)	Insurance update in progress.

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												<p>Automatic Machine Services Ltd must be contacted as soon as possible to resolve the query concerning the rental fee, once resolved the discrepancies in the general ledger must be corrected.</p> <p>(3 months)</p>	<p>Rental Payments addressed.</p> <p>Ledger entry needs clarifying.</p>
												<p>The position and requirements of the security cameras must be reviewed and adjusted.</p> <p>(3 months)</p>	<p>Internal security update in progress.</p>
												<p>Consideration must be given to replacing the lock on the Congress stock room and a key register kept recording key holders and those who have access to the keys in the key holder's absence.</p> <p>(3 months)</p>	<p>Lock has been replaced. A list of key holders was provided by email, but the list (register) needs to be centrally held and accessible in case of emergencies.</p>
												<p>A review of Health and Safety at The Stage Door Public House must be undertaken, and a plan of action developed to deal with the issues identified.</p> <p>(3 months)</p>	<p>Health and Safety review complete.</p> <p>Plan in place.</p> <p>Health and Safety issues being addressed.</p>

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												All staff working at the Stage Door Public House must attend Health and Safety training.  (3 months)	Some training complete, others still to happen.
Love Clean Streets Application December 21	Partial	3	1	0	20.05.22	First	Partial	2	0	0	Aug 22	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)	The Love Clean Streets service should be the responsibility of Neighbourhood First team.  There is no current resource in place to perform a contract negotiation with the software developer.  The software developer will be contacted to establish the first steps.
												<b>Business Applications Manager comment</b> - the business own their systems, rather than ICT BAU. A system owner needs to be found, in the business.  <b>Audit comment</b> – no response was received from the Head of Neighbourhood First  (3 months)	The Love Clean Streets service should be the responsibility of Neighbourhood First team.  There is no current resource in place to perform a contract negotiation with the software developer.  The software developer will be contacted to establish the first steps.