

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

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| Business Continuity Planning November 20 | Minimal | 4 | 0 | 0 | 11.05.22 | Fourth | Substantial | 1 | 0 | 0 | Nov 22 | Business Continuity Plans for every department must be completed and adopted as soon as possible. (6 months) | <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> |

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| Procurement December 2020 | Partial | 0 | 11 | 0 | 30.09.22 | Third | Partial | 0 | 5 | 0 | Jan 23 | Performance against the Procurement Forward Plan must be monitored and reported. (6 months) | With the Forward Plan only recently established monitoring has not taken place. Management of the Contracts Register is a key element of the Forward Plan and its monitoring |
| | | | | | | | | | | | | Policies and procedures must clearly state that where corporate contracts exist these, and no other company, must be used. (12 months) | Amendments to the Contract Procedure Rules are still being worked on. |
| | | | | | | | | | | | | Non-compliance of raising purchase orders must be monitored and persistent offenders reported to the head of the relevant service area. (6 months) | Lead up work to 'No PO – No pay' project has either been completed or under way. A provisional date of 01/11/22 has been set, after which suppliers' invoices without a PO will no longer be accepted and suppliers will be asked to resubmit with PO number supplied. |
| | | | | | | | | | | | | 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 | This has not been actioned yet. Apologies for delay. A general email will be sent out to all CAFI users reminding them of this and also to update our, "How to raise a PO" instructions on the web. |

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| | | | | | | | | | | | | <p>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</p> <ul style="list-style-type: none"> • prompt officers to consider using suppliers already set up on the creditors system for a similar product <p>(3 months)</p> | |
| | | | | | | | | | | | | <p>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.</p> <p>(6 months)</p> | To date, a meeting has not been arranged. |
| <p>Leaseholder Management and Recharges</p> <p>December 2020</p> | Partial | 0 | 2 | 0 | 28.06.22 | Third | Substantial | 0 | 1 | 0 | Draft issued | <p>The Leaseholder Handbook must be reviewed and updated.</p> <p>(6 months)</p> | <p>The first draft was completed in April 2022.</p> <p>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.</p> <p>If the consultations for the new handbook have not</p> |

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| | | | | | | | | | | | | | been completed by August, then we will look to publish an interim leaseholder handbook online. |
| Arrears Collection 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. |
| Members Allowances January 2021 | Substantial | 0 | 3 | 0 | 22.12.21 | Second | Substantial | 0 | 2 | 0 | Draft issued | All expenditure must be evidenced by official VAT receipts. Where expenditure includes VAT, reimbursement must be claimed through the creditors system. (1 month) | <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. (1 month) | <u>Audit Comment</u> Testing at follow up revealed one claim had been incorrectly coded |

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| Officers Expenses February 2021 | Substantial | 2 | 2 | 11 | 12.04.21 | Second | Substantial | 0 | 1 | 6 | Ongoing | 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 reference this put onto the form itself. (3 months) | An initial start has been made on an updated claim form. |

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

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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. |

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| Stage Door November 21 | Minimal | 7 | 8 | 2 | 21.10.22 | Second | Partial | 1 | 4 | 0 | Feb 23 | Measures must be put in place to ensure stock controls are effective, and stock is strictly controlled. (3 months) | In progress Laptop in place New stock control procedures and processes in place and being implemented. Purchase Orders are now being completed on time and by TSD staff. Touch Office updated. Tablet purchased exclusively for stock movement and working across all sites. This is only just bedding in with some issues that still need refining. Touch Office training for 3 out of 5 supervisors, 2 to follow shortly. Bar staff need training. More frequent stock takes happening |
| | | | | | | | | | | | | 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) | In progress Touch Office update is complete but reports not seen by auditor. Streamlining of information collated, in progress. IT to be contacted once streamlining complete. |

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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>In progress</p> <p>Ledger code has been updated, however the corresponding E-return code still needs to be updated.</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>In progress</p> <p>Many of the issues on the H&S report have been addressed.</p> <p>Still some outstanding issues.</p> |
| | | | | | | | | | | | | <p>All staff working at the Stage Door Public House must attend Health and Safety training.</p> <p>(3 months)</p> | <p>In progress</p> <p>Some training complete, others still to happen.</p> <p>Auditor needs to see Training spreadsheet.</p> |
| <p>Love Clean Streets Application</p> <p>December 21</p> | Partial | 3 | 1 | 0 | 22.09.22 | Second | Partial | 1 | 0 | 0 | Jan 23 | <p>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.</p> <p>(3 months)</p> | <p>Going to work with Procurement and Legal Services to obtain a contract for the service.</p> |

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| Film Liaison Unit January 22 | Minimal | 13 | 2 | 0 | 28.09.22 | First | Minimal | 9 | 1 | 0 | Jan 23 | A contract between LDC and Sussex Film Office must be drawn up through Legal Services. | <i>Details on the service carried out on behalf of the council supplied to Legal Services by Destinations Manager. Legal Services have identified the type of contract required for the service and its value. It is likely that three quotes from other providers will need to be sought to assure best value, though the details of this are yet to be confirmed</i> |
| | | | | | | | | | | | | Governance, service standards and performance monitoring must be included in the contract. | 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. | 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. | Initial contact made and information on the service supplied. Contract details to be defined in due course. |

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| | | | | | | | | | | | | The permit cost schedule must be agreed by the council and any administration fees clearly defined within the contract. | Not started |
| | | | | | | | | | | | | 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. | Initial contact made and information on the service supplied. Contract details to be defined in due course. |
| | | | | | | | | | | | | A specific, easily accessible folder must be created for contract and monitoring related documents. | This will happen once the contact is in place. |
| | | | | | | | | | | | | Procedures for the Film Liaison Unit must be drawn up and aligned across both councils. | Written procedures have been written but will need to be aligned with the contract once it is in place. |
| | | | | | | | | | | | | End of year reconciliation, between permits granted, invoices received from SFO and paid over the year, must be carried out. | 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. |

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| | | | | | | | | | | | | <p>The contract must be updated to include consideration of environmental, sustainability and carbon neutral policies when decisions are being made between the council and SFO, and when permits are being granted.</p> | <p>Initial contact made and information on the service supplied. Contract details to be defined in due course.</p> |