

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**

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
Business Continuity Planning November 20	Minimal	4	0	0	10.05.23	Sixth	Substantial	1	0	0	Sept 23	Business Continuity Plans for every department must be completed and adopted as soon as possible.  (6 months)	<p><b>Update July 23</b></p> <p>The Director of Tourism, Culture and Organisational Development had previously reported that it was intended to have the document for Theatres completed by the end of July. The one for Events was intended to be completed by the end of September. Is now stating that consideration is being given to transfer to a LACC so cannot write BCP until more information is known.</p> <p>The plans for Delivery Services and Finance have now been completed.</p> <p>The Head of Neighbourhood First confirmed that the plan is now in draft.</p>

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<p><b>Arrears Collection</b></p> <p>January 2021</p>	Partial	2	2	3	07.11.22	Fourth	Substantial	0	0	1	Oct 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 Interim Deputy Finance Officer has raised this with the Head of Customer First and the Lead for Income Maximisation and Welfare. The response from the Lead for Income Maximisation and Welfare was that a complete review of the Fair Debt Policy needs to be carried out but that this was unlikely to happen in the current financial year. However, if required sooner, then help from Finance would be needed.</p> <p>The Interim Deputy Finance Officer has replaced the departing Deputy Chief Finance Officer and needs to undertake a review of agreed audit actions with a view to providing a revised completion date for this action.</p>

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**REPORTS ISSUED 21/22**

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
Love Clean Streets Application December 21	Partial	3	1	0	22.09.22	Third	Partial	1	0	0	Ongoing	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	29.06.23	Second	Substantial	2	0	0	Oct 23	The permit cost schedule must be agreed by the council and any administration fees clearly defined within the contract. (3 months)	Work has started on updating the permit cost schedule, but details are yet to be finalised.
												End of year reconciliation, between permits granted, invoices received from SFO and paid over the year, must be carried out. (1 month)	Permits have been reconciled but there is no evidence of a second officer signing off the reconciliation. A solution is being sought with Finance.

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**REPORTS ISSUED 22/23**

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>Construction Industry Scheme</b> <b>February 2022</b>	Partial	0	6	0	01.02.23	First	Partial	0	6	0	Jul 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"> <li>New starters working with CIS payments must have training and existing staff must be given refresher courses.</li> <li>All Payment Team members should sign up for the free HMRC advice, webinars and update alerts.</li> </ul> (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 be generated and filed for every month. (3 months)	Payments reports for three out of 12 months were not available. The new Creditor Team Leader agreed that a reminder to be sent to all relevant staff regarding the filing of these reports.

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												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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<b>Rent Sense September 2022</b>	Partial	2	6	0	30.06.23	Third	Substantial	0	1	0	Sep 23	An operational risk assessment should be carried out for reviewing the risks associated with using third party software to monitor and evaluate the councils' rent arrears.  (6 months)	The operational risk assessment of Rent Sense is scheduled for April / May 2023