Appendix 1

Internal Audit Annual Report and Progress Report (Quarter 4)
June 2024

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In the event of any questions arising from this report please contact Andrew Wood, Audit Manager andrew-wood@tamworth.gov.uk

01 INTRODUCTION

BACKGROUND

This report summarises internal audit activity and performance for the period to 31 March 2024.

SCOPE AND PURPOSE OF INTERNAL AUDIT

The Accounts and Audit Regulations require councils to undertake aneffective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

This progress report and opinion forms part of the framework of assurances that is received by the Council and is used to help inform the annual governance statement. Internal audit also has an independent and objective consultancy role to help managers improverisk management, governance and control.

Internal Audit's professional responsibilities as auditors are set out within Public Sector Internal Audit Standards (PSIAS) produced by theInternal Audit Standards Advisory Board produced by the Internal Audit Standards Advisory Board.

ACKNOWLEDGEMENTS

Internal audit is grateful to the directors, heads of service, service managers and other staff throughout the council for their help during theperiod.

02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2023/24 approved by the Audit & Governance Committee at its meeting in March 2023. The plan was for a total of 16 audits. To the end of quarter 4 2023/2024 and taking into account the exceptional circumstances previously reported to committee we have completed 86% of the audit plan. In addition we have fully completed the 3 audits rolled forward from 2022/23. Work has been ongoing on all audits contained within the plan in respect of scoping and briefing and agreeing with management the start dates for the reviews, this is outlined in the attached **Appendix 1** and provides the position as at 31st March 2024. An analysis of audit plan completion and indicatively planned audits is shown in the table below;

	Q1	Q2	Q3	Q4
Number of audits allocated per quarter	4	4	6	2
% of plan	25	25	37	13
Cumulative 2023/24 audit plan % completed	0	25	31	86
Completed and finalised 2022/23 audits	2	3	3	3
Audits drafted and awaiting management agreement 2022/23	1	2	0	0

Planned work initially envisaged that by 31 March 2024 we would have completed 100% of the Audit Plan, actual out turn figures show that we have due to exceptional circumstances that we have completed 86% of the expected plan. The work undertaken and the progress on each audit is shown in summary and progress made this year is included at **Appendix 01**.

03 OPINION

SCOPE OF THE OPINION

In giving an opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at an opinion, the following matters have been taken into account:

- The outcomes of all audit activity undertaken during the period.
- The effects of any material changes in the organisation's objectives or activities.
- Whether or not any limitations have been placed on the scope of internal audit.
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation.
- What proportion of the organisation's internal audit needs have been covered to date.

INTERNAL AUDIT OPINION

> On the basis of audit work completed, the Audit Manager's opinion on the council's framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All of these have been, or are in the process of being addressed.

Specific Issues

No specific issues have been highlighted through the work undertaken by internal audit during the period.

Fraud & Irregularity

No matters of fraud or irregularity have been reported during the period. Also see the fraud update on this Committee's agenda.

Consultancy & Advice

The audit team may be requested by managers to undertake consultancy and advice on governance, risk management and internal control matters from time to time. During the period to 31 March 2024 no additional work was requested.

04 Follow Up

As previously agreed by the Committee, all high priority actions and those arising from no and limited overall assurance reports are followed up by audit, managers confirmation applies to the rest.

The total outstanding actions at the end of Quarter 4 are 47 (9 high, 26 medium, 12 low). During 2024/25 the Audit Manager will continue to hold quarterly meetings with all Assistant Directors to review all outstanding recommendations, for Quarter 4 these meetings will be undertaken during June/July 2024. There has been a significant improvement in the implementation and the number of outstanding recommendations, over time, has been shown within **Appendix 3**. This shows in tabular graph form the progress regarding the number of outstanding audit recommendations over time.

Priority of Recs	Number of O/S recs – 31 Dec 2023	Number of recs closed during the period Dec 23 – March 24	Number of additional recs made during Q4	Number of current O/S recs as at 31 March 2024	Overall movement of rec numbers during the quarter 4
High	12	0	0	9	-3
Medium	28	3	5	26	-2
Low	12	5	5	12	0

As at 31 March 2024 there were 9 high priority recommendations all were overdue and these have been followed up with Assistant Directors. All current outstanding high priority recommendations are contained within **Appendix 3** of this report.

Compliance with professional standards

We employ a risk-based approach in planning and conducting our audit assignments. Internal audit work has been performed in accordance with PSIAS.

Conflicts of interest

There have been no instances during the year which have impacted on internal audit's independence that have led to any declarations of interest.

Performance of Internal Audit

Internal audit quality assurance

To ensure the quality of the work internal audit performs, there is a programme of quality measures which includes:
- Supervision of staff conducting audit work.
- Review of files of working papers and reports by managers.
- Regular meetings of our networking groups, which issue technical and sector updates.

Performance Measures
- Complete 90% of the audit plan - 86% relates to assurance work completed.
- 100% Draft reports issued within 6 weeks ofstart date – 38%
- 100% Closure meetings conducted within 5 days of completion of audit work – 83%
- 100% draft reports to be issued within 10 working days of closure meeting – 50%
- 100% of all high priority actions are implemented at follow up – N/A
- All no and limited assurance reports have arevised assurance rating of substantial or reasonable on follow up – Not applicable
- Achieve an average customer satisfaction score of 4 or more – 100%

Appendix 01: Summary of Internal Audit Work Undertaken 2023/24

Assurance	Audit/Corporate Risk	Scope	Indicative Planned Quarter	Assurance Summary	AssuranceOpinion
Core Financial Systems	Creditors CR1,CR6	Risk based review covering the adequacy and effectiveness of controls around the maintenance of creditors systems.	Q2	Overall, the Council has Reasonable controls in place for the management of its creditors function, including payments to suppliers, credit card spend, supplier bank details and reporting on payments information. Our opinion is mainly driven by the Medium finding raised for the lack of authorisation of the Card Authorisation Form across our sample of 15 credit card transactions and occasional delays in providing receipts for transactions. The control environment could be improved for the management of credit cards to formally establish the implications for cardholders not following the credit card procedures to enable to the Finance Team to enforce non-compliance. However, importantly, the spend on credit cards and through the purchase order process appeared to be for valid business reasons. Furthermore, there were robust controls in place for purchases from suppliers. Across our sample of 15 purchases, requisitions were authorised in accordance with the Scheme of Delegations and workflows in E-Financials and suppliers were paid accurately, following appropriate levels of approval. There were effective controls in place to ensure that amendments to supplier bank details were valid, to prevent fraudulent payments being made, and these were consistently applied.	Reasonable Assurance H-0 M-1 L-3
	Procurement CR1, CR6	Risk based review of Procurement systems to ensure controls in place for the adherence to procurement legislative requirements.	Q1	The Council have reasonable controls in place to support the management of its procurement function. The Procurement Regulations were robust and met the statutory requirements of local authorities in the Public Contract Regulations 2015. Furthermore, the Council have developed a strong set of templates and guidance documents for staff to ensure there is a consistent and effective procurement process. However, due to limited resources in the Procurement Team, spend over £5,000 is not regularly monitored to assess whether staff are not complying with procurement rules. In our sample testing of spend over £5,000 which include three purchases from the purchase ledger (rather than the Contract Register), we identified that purchases had been made without notifying the Procurement Team or having a waiver form approved. Similarly, there was an	Reasonable Assurance H-0 M-3 L-2

				instance where a procurement waiver form was approved outside of the scheme of delegation. Therefore, while adequate controls were in place, they were not always consistently followed.	
Strategic & Operational Risks	Business Continuity CR1, CR2, CR3, CR6	Risk based review of the council's arrangements for business continuity.	Q2	BCPs were not regularly reviewed and updated, demonstrated by the fact that 21 of the 22 were still using the previous templates with the Corporate Finance BCP review ongoing at the time of our review. As a result, the BCPs either did not reflect the Council's actual processes or service areas were unaware of their BCPs, which could cause a significant risk to the adequacy of the response to an incident. This was further impacted by the lack of a consistent and thorough training programme for service leads. The Council are currently in the process of refreshing its service area BCPs which could improve the controls. There was a lack of governance structures in place to oversee the implementation of the Council's business continuity arrangements. There was support provided by the CCU but we would expect the Council to have robust internal governance to ensure there is sufficient ownership and monitoring of the BCP arrangements. The risk of 'Inability to deliver economic growth, sustainability and prosperity in the Borough', which 'inadequate business continuity planning' is identified as a causing factor, has a current risk score of 9 on the Council's Corporate Risk Register (with a target risk score of 4). Therefore, if appropriate controls are not implemented to support adequate BCPs and staff training, this could impact the achievement of the Council's objectives.	Limited Assurance H-1 M-2 L- 0
	Corporate Policy Management CR1, CR3, CR4, CR5, CR6	Risk based review of the council's arrangements for policy development, update and change. Incorporating reporting and approval requirements.	Q3	Overall, the Council have reasonable controls in place to support corporate policy management. The Astute system means that staff can be made aware of mandatory policies, with compliance tracked. Reminders can also be sent out when a new policy has been uploaded, or an old one should be updated. The use of infozone (the council's intranet) allows for other, more specific policies to be accessible to all staff members. However, the Council does not maintain a central log of policies in place at the organisation. This means there is no centralised system to ensure policies are updated when required. On review of a sample of 10 policies uploaded to Astute, we found that three of them (30%) had not been updated within the correct period and were therefore out of date. We therefore raised two findings relating to the lack of a policy log to provide oversight of policy management, and several of	Reasonable Assurance H-0 M-2 L-0

				our sampled policies not being updated within the specified review period.	
	Taxi Licences CR3, CR4, CR6	Risk based review of the council's management arrangements for taxi licensing across the Borough, ensuring all checks both individual and vehicle are carried out and completed.	Q3	Overall, the Council has reasonable processes in place to ensure taxi licences are processed in accordance with statutory legislation, including conducting background checks for new applications. Enforcement actions such as a penalty point system are also in place. However, we have raised findings relating to: Application evidence – we identified exceptions in the documentation records for driver and vehicle license applications, including not submitting all forms, not obtaining full logbooks and insurance and DBS checks not being updated. Enforcement and escalation – the Council does not schedule spot checks to ensure it is able to identify breaches and out of date information in a timely manner and results of checks are not recorded centrally.	Reasonable Assurance H-0 M-2 L-0

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Community Safety CR3, CR4, CR6	Risk based review of Community Safety arrangements at the Council.	Q3	Overall, the council has reasonable controls in place for the community safety processes, including the arrangements for the Tamworth Vulnerability Partnership, three-year rolling Community Safety Partnership Plan and the supporting Partnership Workplan. However, we have raised findings relating to: 1. The workplan does not have a timeframe for each key project and it is updated internally without a tracker to indicate the date of when the specific action was completed. Our testing of a sample of actions showed the progress report of the workplan is not always accurate based on the RAG ratings assigned. 2. The Antisocial behaviour terms of reference is a draft version and has not been updated to reflect structure changes within the Council. 3. There are no aims and objectives outlined in the 2023-2026 Community Safety Partnership Plan.	Reasonable Assurance H-0 M-2 L-1
	Training & Development CR2, CR6	Risk based review looking at the Council's arrangements for training and development.	Q1	Overall, the Council have Limited controls in place to support its management of training and development, underpinned by out-dated training policy and completion of mandatory training and PDRs being lower than we would expect. This impacts the use of the limited training funds allocated to training and developing staff, as there is a lack of clear direction on the most effective use of spend. For example, when allocating the funds, due to PDRs not being completed, the Head of HR and Organisational Development does not have the guidance over which members of staff could benefit the most from further training. Furthermore, there was low compliance of mandatory training despite quarterly reminders being sent to staff that had not completed the training modules. While the mandatory training is delivered via online modules, for some departments where staff work in manual roles, alternative training methods may be more suitable. This could improve compliance.	Limited Assurance H-1 M-3 L-1

| | | Safeguarding CR3, CR4, CR5, CR6 | Risk based review of the Council's controls around the safeguarding to ensure all legislative requirements are met and being consistently applied. | Q4 | The system has some good controls in place to mitigate against key risks.
There is a Safeguarding Children and Adults at Risk of Abuse and Neglect Policy and Procedure which was reviewed in March 2023. The policy is accessible to staff through the Infozone and externally on the website. The lead responsibility lies with a Designated Safeguarding Officer (DSO) with a deputy DSO to support and departmental Safeguarding Officers. Training is provided either face to face by an internal officer or through e-learning. There is also a link to identification of training requirements, a table of target five groups with an example of job role and training recommended. Testing noted that training is not being completed as per the policy and the training and development framework.

The Council has a Disclosure and Barring Policy which includes a list of job roles and the level of DBS check required i.e. none, basic etc. Testing confirmed for a sample chosen that DBS had been completed in line with the policy, with the exception of one, where the level of check was unknown. Also, current roles were not included on the policy which is dated July 2022. Discussions noted that where sports facilities are hired, the safeguarding policy and details of the welfare officer of the club is obtained.
There is regular liaison with external partners, including Tamworth Vulnerability Partnership and MACE panel at Staffordshire County Council.

Areas for improvement were noted during the audit, including uploading the latest version of the safeguarding policy and inclusion of all roles into the disclosure and barring policy. Training requirements should be reviewed and monitored and DBS information should be confirmed for service providers working with children and vulnerable adults. Implementation of the recommendations in the action plan will enhance arrangements. | Reasonable Assurance
H-0
M-5
L-1 |

Insurance CR1	Risk based review to ensure that all insurable risks are identified and appropriately managed.	Q3	The system has some good controls in place to mitigate against key risks. Guidance on how to make a claim is available on the website and for staff, on Infozone. Claims are recorded internally, and progress updates are received from Zurich. The Council will provide information to Zurich if requested. Managers are aware of claims within their service area. There is no formal claim management information due to the few claims received. However, should there be a rise in one type or other pattern occurring, the department manager will be notified, will investigate and take action, as necessary. The Operations Accountant liaises with Managers and requests renewal information. This was seen via email trails. Zurich also provide support, seen through email correspondence and meeting agendas. Areas for improvement were noted during the audit, including updating procedure notes and policy information. A procedure and task checklist should be developed for the renewal process. Current processes should comply with the financial guidance, including contractor insurance and safe/ key cover. Implementation of the recommendations in the action plan will enhance arrangements.	Reasonable Assurance H-0 M-2 L-2
Fees and Charges CR1	Review of arrangements across the Council for the levying and charging for fees and services.	Q3	Audit fieldwork commenced and currently ongoing.	
Time recording & absence management CR2	Risk based review to ensure that time recording system is appropriately managed and that a consistent approach is maintained in respect of absence management.	Q1	The Council have Reasonable controls in place to support the management of time recording and absence management processes for staff. Staff policies for absence management were clear and in line with our expectations, however, procedure notes on how to record time on Tensor could be improved. The automatic workflows set in Tensor notifies line managers for approval of absences after being completed by staff which enables these requests to be authorised in a timely manner. This was noted through our sample testing of absences. However, there was significant non-compliance by staff in	H-0 M-3 L-0 Reasonable Assurance

| | | | | clocking out of Tensor during their lunch break, resulting in a default 20-minute lunch break being applied. This could distort records for staff breaks or could be symptomatic of staff not taking a lunch break which could have longer term impacts on well-being. Furthermore, our analysis of Tensor data for three weeks (between March and May 2023) identified that while most staff do clock-in during usual business hours, there were some customer-facing departments where there were higher levels of staff starting and finishing early. We understand that this has been raised internally by the Council at Executive Leadership Team and is being monitored to ensure there is sufficient capacity during business hours to meet customer needs.
It is important to note that this report sets out control improvement areas in relation to time recording per the risks identified in the scope. However in addition to this, it is important for senior leadership at the Council to discuss and agree the purpose of why time recording is required and what they aim to achieve from having such systems in place. This includes agreeing the culture they aim to achieve, the purpose of monitoring time, how time is monitored, actions taken as a result of this analysis and how this will be communicated to the organisation. Without setting this tone from the top, there is a risk that any control improvements will not achieve the desired change. | |
| Shared Services CR1, CR3, CR5 | Risk based review looking at key aspects of the council's shared services arrangements. | Q2 | Draft report stage, awaiting final comments to report prior to finalisation. | |

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Housing Voids CR4	Risk based review looking at Housing Void arrangements to ensure properties are appropriately managed and void periods minimised.	Q1	The system has some good controls in place to mitigate against key risks. The voids process is split between three departments and each monitors the progress of the void. Procedures are held by voids and allocations and repairs. Equans have confirmed a work flow process. The progress of the void is monitored through meetings and a void tracker spreadsheet. The process begins with a notice of intention to vacate form and these were noted for the sample tested. Testing also confirmed that an acknowledgment of the notice was sent to the tenant. In all cases the property was advertised prior to the end of the tenancy. Keys are returned to the voids and allocations team and contact is made to Equans to pre-inspect the property. A void job was raised for all of the sample. Testing confirmed that all variations and invoices were authorised. However, an excessive delay by Equans was noted in issuing the invoice from when the work was completed (5,7,8 months). On receipt, a number of invoices were incorrect and had to be re-issued. The repairs team will do a 100% post inspection to confirm the accuracy of the invoices. Similarly, of the 12 voids tested, 4 were post inspected more than once due to below standard works. Areas for improvement were noted during the audit and these included the following; ▪ Procedure notes to be developed for the estate management element of the process ▪ Suggested that all departments involved in the void process should consider attending, as an one-off the other departments internal meeting ▪ an overall void process flowchart to obtain knowledge of the full void process be developed ▪ Pre- exit inspections should be completed. ▪ Documentation should be retained for post inspections and handovers. ▪ Further KPI's should be developed, and current data should be uploaded onto Pentana.	H-0 M-4 L-5 Reasonable Assurance

	Housing White Paper CR4	Risk based review of organisation implementation for the new regulatory inspection regime.	Q4	Deferred to 2024/25	
	Events Management Defer to 23/24	Risk based review looking at key aspects of the council's operations in relation to the management of events, to include; bidding for external events, management of internal events.	Q3	Deferred to 2024/25	
ICT	Remote Working	ICT review of the development of remote working solutions.	Q1-Q4	There are generally good IT management and technical controls over remote working, although we have identified some risks that need to be addressed. Remote working is covered in a number of documented corporate IT policies, including Mobile Computing Policy, Acceptable Use Policy, Acceptable Use Guidance and the SMART Working Policy, which is a HR policy. Collectively the policies cover the main areas relevant to remote working, with the exception of remote access security and details on corporately approved collaboration tools. IT policies are published via Astute, a policy management system, which logs confirmation from users that policies have been read and understood. The plan was to re-issue the IT policies annually and get user confirmation, however, we found they have not been issued since they were approved in 2020. All remote access is subject to multi-factor authentication in accordance with good practice. We have identified some technical security weaknesses with the remote access system that provides VPN (Virtual Private Network) access to a small number of users. IT Services are aware of the issues but have no plans to address them as the system is being replaced in the next four/five months. This is accepted. The password policy used for authenticating remote users is the same as the one used on the internal network. A review of the policy found the minimum password length and requirement for password complexity and expiry do not comply with current good practice standards. Remote access logs are available but are not retained for a	H-1 M-4 L-7 Reasonable Assurance

				sufficient period of time as defined by PSN (Public Sector Network) requirements. Personally owned computers are allowed to connect remotely to the network but only via a virtual desktop, thus minimising security risks. There is an inventory of all computer equipment, including laptops, desktops and other mobile devices. A review of the inventory details found that a small number of laptops and some mobile devices do not have a designated owner assigned and hence it is not possible to confirm who they are issued to. All laptop computers are encrypted and a security policy is applied to mobile devices. We have identified a high risk relating to users copying data onto removable USB storage devices, such as memory sticks/flash drives. This access should be blocked to prevent personal data being copied onto insecure devices, which if lost or stolen, could result in a data breach. The password policy for personally owned mobile devices should also be strengthened and all users of personal devices should sign the Bring Your Own Device agreement. There are some configurations on Microsoft Teams that should be changed to further strengthen security over meetings and file sharing.	
	Network Infrastructure	ICT review of the council's network infrastructure to ensure that it is maximised and 'downtime' minimised with the resolution of issues in a prompt manner by third party suppliers.	Q1-Q4	Deferred to 2024/25	
Governance Fraud & Other Assurance	Risk Management	Review of the Council's Risk Management processes.	Q4	Audit fieldwork commenced.	
	Disabled Facilities Grant	Assurance Statement	Q3	Assurance work completed for certification sign off	No assurance required
	Municipal Charities	Preparation of municipal charities accounts	Q3	2022 accounts fully completed and submitted to management.	No assurance required.

	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	Q1-Q4	On-going	
	Annual Governance Statement	Production of the AGS	Q1-Q2	AGS fully completed and reported to Audit & Governance Committee for 2022/23.	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Annual Audit Opinion	Production of the Annual Audit Opinion	Q1-Q2	Complete	
	Management and Planning	Management, planning and assurance reporting to CMT and Audit & Governance Committee	Q1-Q4	On-going	
	Ad-hoc / Consultancy / Contingency	Contingency allocation to be utilised upon agreement of the Chief Finance Officer	Q1-Q4	On-going	
	IA QAIP and PSIAS	Review of PSIAS standards and review	Q3	Ongoing	
22/23 Planned Audits finalised	Agency Staff	Risk based review of the arrangements for appointment and monitoring of Agency Staff.		The system has some good controls in place to mitigate against key risks. A business case is completed and approved. These were seen for all the agency staff tested. The recruitment for temporary agency staff form was completed for all staff. Agency staff personal details are obtained, and staff had undertaken an induction which included reference to the Council's code of conduct and corporate training of policies/ procedures. Training was provided either in person or through Astute. Performance was monitored by the Manager who agrees workload and hours worked prior to approval for the payment of the invoices. Some weaknesses were identified which included the recruitment of temporary agency staff form not being fully completed, particularly the clearance checks required to be completed by the agency. A DBS check had not been evidenced by the agency for any of the sample tested. Declaration of interest/ secondary employment forms are referred to in the code of conduct which staff are made aware of at induction. Two induction forms did not provide evidence that the code of conduct had been discussed. In addition, two booking forms/ contract for agency staff could not be located. Implementation of the recommendations in the action plan will enhance arrangements and address these risks.	H-1 M-3 L-0 Substantial Assurance

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Recovery and Reset	Programme assurance based review of Recovery and Reset programme. Programme assurance includes programme planning, governance structure and controls, delivery, change management, RAIDD management (Risk, Action, Issue, Decision, Dependency), testing and reporting.		The Council have Substantial controls in place to support the management of the Recovery and Reset Programme. As this was a key corporate programme, we would expect robust governance to support oversight and monitoring of projects. Support for the Recovery and Reset Programme was provided by Trueman Change, who maintained effective oversight of risks, performance and the delivery of the programme. They also developed clear reports on the progress of the Programme and individual projects to the ELT and the Corporate Scrutiny Committee. Financial savings and project costs were monitored regularly and escalated through the governance structures where required. Furthermore, project initiation documentation identified the project objectives, providing tangible measures to assess the success of the Programme. Overall, this was a well-managed programme with robust oversight and documentation. Programme templates supported consistency for project proposals, reporting and post-implementation evaluations of projects.	H-0 M-0 L-0 Substantial Assurance
	Income Management	Risk based review of the Council's controls around the management of income throughout the Council is ensure that this collected in a robust manner that accounts for monies received.		We have reached the overall opinion that the Council's controls for income management, collection and reporting were Substantial. The Council's Financial Guidance establishes clear policies and procedures for cash handling and banking, and income collection from non-cash transactions. Our review of three departments where cash is regularly collected identified that there was compliance with these procedures, maintaining security of cash and prompt banking. The Finance Team perform monthly reconciliations between E-Fins (the general ledger system) and Academy (the revenues system) to ensure that council tax and NNDR payments, which are a high proportion of the Council's income, to ensure that transactions are coded correctly. Similarly, the suspense account was	H-0 M-0 L-0 Substantial Assurance

| | | | | cleared regularly and our review of 15 suspense account transactions identified that these were supported by sufficient backing documentation.

The Revenues and Benefits Team produce monthly reporting on income collection and management, focused on council tax, NNDR and sundry debts. These were robust and provided comparisons to the target collection rates and the previous year. | |

Appendix 02: Assurance and Recommendation Classifications

Overall Assurance Opinion	Definition
Substantial	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
Reasonable	While there is a basically sound system of internal control, there are some weaknesses which may put the organisation's objectives in this area at risk. There is a low level of non-compliance with some of the control processes applied.
Limited	Weaknesses in the system of internal controls are such as to put the organisation's objectives in this area at risk. There is a moderate level of non-compliance with some of the control processes applied.
No	Significant weakness in the design and application of controls mean that no assurance can be given that the organisation will meet its objectives in this area.

Recommendation Priority	Definition
High	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
Medium	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
Low (Housekeeping)	Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency of further reduce the organisation's exposure to risk.

Appendix 03: Outstanding Audit Recommendations

The graph below shows the number of outstanding audit recommendations over time.

Outstanding Audit Recommendations

	Q2 2020/2021	Q3 2020/2021	Q4 2020/2021	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022	Q1 2022/2023	Q2 2022/2023	Q3 2022/2023	Q4 2022/2023	Q1 2023/2024	Q2 2023/2024	Q3 2023/24	Q4 2023/24
Value	69	84	116	130	75	79	93	60	81	82	66	64	56	52	47

To inform the process I have included a table below outlining the number of outstanding actions whether High, Medium or Low Priority.

Below is a table showing the number of recommendations in each assurance level.

Number of outstanding recommendations by priority
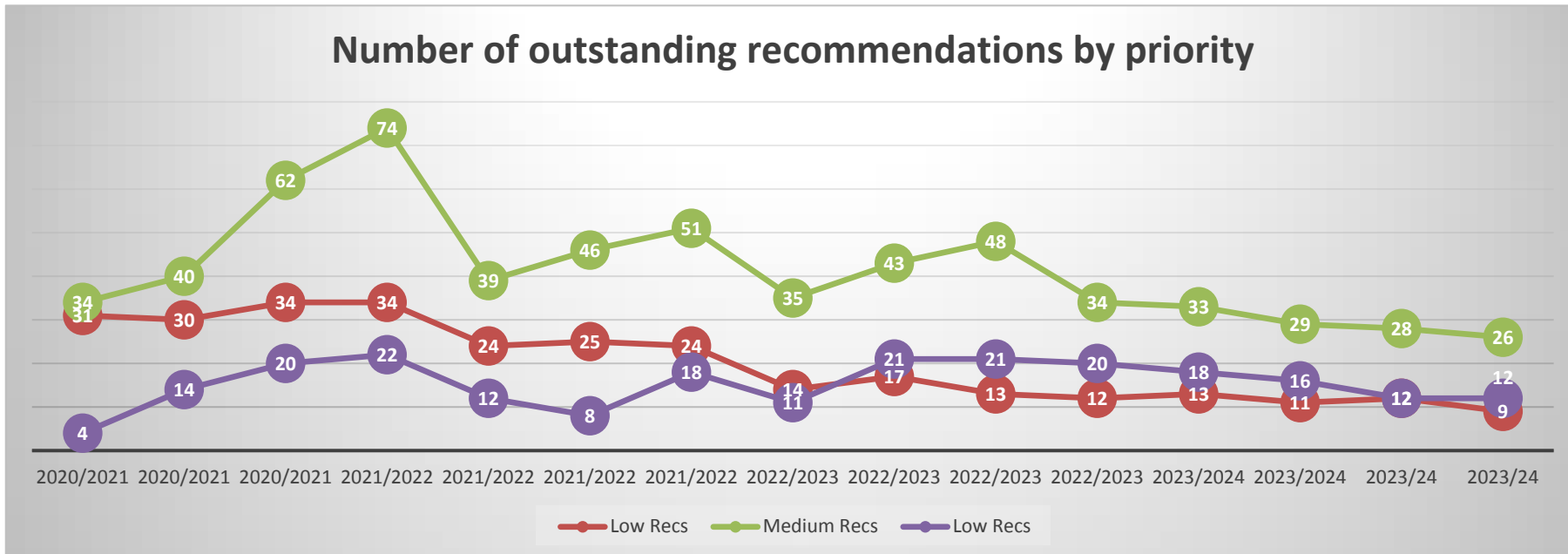
Financial Year	Quarter	No of Outstanding Recommendations	No of High Recs	No of Medium Recs	No of Low recs
2020/2021	Q1				
	Q2	69	31	34	4
	Q3	84	30	40	14
	Q4	116	34	62	20
2021/2022	Q1	130	34	74	22
	Q2	75	24	39	12
	Q3	79	25	46	8
	Q4	93	24	51	18
2022/2023	Q1	60	14	35	11
	Q2	81	17	43	21
	Q3	82	13	48	21
	Q4	66	12	34	20
2023/2024	Q1	64	13	33	18
	Q2	56	11	29	16
	Q3	52	12	28	12
	Q4	47	9	26	12

Analysis of current high priority outstanding audit recommendations.

Title	Recommendation	Status	Due Date	Assistant Director Responsible	Comments
Pentana Training & Procedures	a) Detailed procedures notes are developed for the use of the contract register on Pentana and made available to staff. b) Detailed training is provided to staff on the requirements of contract monitoring and management, how to use and update the contract register in Pentana to ensure staff are fully aware of their responsibilities and how to appropriately manage their contracts.	In Progress	30-Nov-23	Joanne Goodfellow	Work is ongoing streamlining and updating data on Pentana. Draft procedures have been produced on the operation of the system and how to include contracts on the system.
Asset Management Policy/Strategy	An Asset Management Policy and Strategy covering planned maintenance should be produced, approved and communicated with stakeholders. This should also include the frequency of the stock condition survey.	Overdue	30-Nov-22	Paul Weston	Awaiting confirmation and approval by Cabinet, once received this recommendation will be completed.
PCI DSS (Payment Card Industry Data Security Standard) Compliance	The PCI DSS Policy and Procedure should be reviewed and finalised. The policy should clearly define all key roles and responsibilities, including the corporate lead for PCI compliance.	In Progress	31-Dec-23	Joanne Goodfellow/Zoe Wolicki	Action Plan agreed with ICT for implementation by due date.
PCI DSS (Payment Card Industry Data Security Standard) Compliance	The scope of the PCI environment should be explicitly defined, covering people, processes and technology. This should include a list of all service providers. Data flow maps may help define the PCI scope. .	In Progress	31-Dec-23	Joanne Goodfellow/Zoe Wolicki	Action Plan agreed with ICT for implementation by due date.

Title	Recommendation	Status	Due Date	Assistant Director Responsible	Comments
PCI DSS (Payment Card Industry Data Security Standard) Compliance	The relevant SAQ's should be identified and completed on an annual basis.	In Progress	31-Dec-23	Joanne Goodfellow/Zoe Wolicki	Action Plan agreed with ICT for implementation by due date.
Climate Change	Management should develop an action plan for climate change which should be approved and endorsed at a senior level. This should identify short, medium and long-term actions that have been costed. Progress against the action plan should be monitored by senior management and by members periodically, Areas that the Council may wish to consider include in its action plan are; · Council housing stock and waste management · Transport/fleet management . Internal Council operations	In Progress	31-Dec-23	Anna Miller	Financial waiver currently being to sort to progress this further. This will potential use the same consultants who undertook the initial work for the Council. ISAG completion date by end of December 2024.
Climate Change	Following the development of the action plan, management should establish a set of KPI's to monitor performance. These should be reported to management and Committees, as appropriate, to maintain effective oversight of the performance. The KPIs should be aligned to the actions agreed by Cabinet in the action plan.	In Progress	31-Dec-23	Anna Miller	Requires delivery of the action plan.
Climate Change	As part of the action plan, the Council should establish a cross department working group to meet at least monthly to monitor the action plan and oversee joint arrangements for reducing carbon emissions.	In Progress	31-Dec-23	Anna Miller	Unable to resource this area despite a recruitment campaign to employ into the Climate Change role.

Title	Recommendation	Status	Due Date	Assistant Director Responsible	Comments
Training and Development	a. The Council should liaise with the Astute system providers to assess whether it can automatically assign and re-assign mandatory courses to staff b. Alternatively, if Astute cannot automatically assign and re-assign modules then the Council should develop a checklist for the HR Team to complete for new joiners to record which modules need to be assigned to the individual c. Based on the frequency of refresher training (see Recommendation E) a schedule should be maintained to record the date of refreshed training for each member of staff. This should be shared monthly with line managers or set in Astute to issue automatic reminders to the employee d. A list of staff that have not completed assigned mandatory training modules should be sent to the Corporate Management Team every quarter or six months. For those that have not completed the mandatory modules. The CMT should consider whether access to Council software and systems should be removed until the modules are completed e. Clear timeframes for the refresh of mandatory training should be set in the Training and Development Policy.	Overdue	31-Jan-24	Anica Goodwin Jackie Noble	

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