



Audit and Governance Committee

Monday, 24th October 2022 at 6.30pm

Meeting to be held at Belle Vue Suite, Belle Vue Offices, Skipton

Committee Members: The Chair (Councillor Hull) and Councillors Barrett, Handley, Harbron, Lis, Mercer, Noland, Place and Wheeler.

Independent Person: Greg Robinson

Please note the following advice in advance of the meeting:

Whilst there is no longer a legal requirement to wear a face covering or continue to social distance, please be considerate towards the wellbeing of other.

Anyone showing Covid symptoms or feeling unwell, are asked not to attend an in-person meeting, this is in the interest of general infection control. Further guidance can be found at:

<https://www.gov.uk/coronavirus>

AGENDA

1. **Apologies for Absence** – To receive any apologies for absence.
2. **Minutes** – To approve the minutes of the meeting held on 27 June 2022.
3. **Public Participation** – In the event that any questions/statements are received or members of the public attend, the public participation session will proceed for a period of up to fifteen minutes.
4. **Declarations of Interest** – All Members are invited to declare at this point any interests they have in items appearing on this agenda, including the nature of those interests.

(Note: Declarations should be in the form of:

a “**disclosable pecuniary interest**” under Appendix A to the Council’s Code of Conduct, or “**other interests**” under Appendix B or under Paragraph 15 where a matter arises at the meeting which relates to a financial interest of a friend, relative or close associate.

A Member of Council who has a disclosable pecuniary interest must leave the room and not take part in the discussion or vote. When declaring interests under Appendix B or Paragraph 15 of the Code, Members must move to the public seating area, not vote, and speak only if members of the public are also allowed to speak at the meeting.)

5. **Exemption from Contract Procedure Rules to Supply and Erect an Observation Hide Using Section 106 Monies by Cononley Parish Council** – Report of the Chief Executive. Attached.

Purpose of Report – To request an exemption from the Contract Procedure Rules to supply and erect an observation hide within the Parish Council's land at Dead Eye pond.

6. **Exemption from Contract Procedure Rules to Construct a New Building to Replace Existing Pavilion Using Section 106 Monies by Skipton Community Sports Hub** – Report of the Chief Executive. Report to Follow.

Purpose of Report - To request an exemption from the Contract Procedure Rules to construct a new building to replace the existing pavilion using section 106 monies by Skipton Community Sports Hub.

7. **Internal Audit**

- a) **Internal Audit Recommendations – Progress Report** – Report of the Audit Services and Fraud Manager. Attached.

Purpose of Report – To update committee members on progress against recommendations made by the Internal Audit team.

- b) **Annual Audit Report (with Annual Opinion)** – Report of the Audit Services and Fraud Manager. Attached.

Purpose of Report – To consider the key findings and conclusions from audit work undertaken in 2021/22 and provide an update on the overall adequacy and effectiveness of the Council's arrangements for risk management and governance and on its internal controls.

- c) **Internal Audit Plan 2022/23** – Report of the Audit Services and Fraud Manager. Attached.

Purpose of Report – To present the proposed Internal Audit Plan for 2022/23 for considering and approval.

- d) **Payroll Report** – Report of the Audit Services and Fraud Manager. Attached.

Purpose of Report – To present an Internal Audit report in relation to the Payroll function.

- e) **Procurement / Contract Rules 2021/2022** – Report of the Audit Services and Fraud Manager. Attached.

Purpose of Report – To present an Internal Audit report in relation to Procurement / Contract Rules.

8. **Any other items** which the Chairman decides are urgent in accordance with Section 100B(4) of the Local Government Act, 1972.

9. **Date and Time of Next Meeting** – Monday, 5 December 2022 at 6.30pm.

Agenda Contact Officer:

David Smith, Democratic Services Officer

E-mail: committees@cravendc.gov.uk

14th October 2022

Recording at Council Meetings: Recording is allowed at Council, Committee and Sub-Committee meetings which are open to the public, subject to

- (a) the recording being conducted with the full knowledge of the Chairman of the meeting; and
- (b) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact the Agenda Contact Officer prior to the start of the meeting. Any recording must be conducted openly and not disrupt proceedings.

AGENDA ITEM 2

AUDIT AND GOVERNANCE COMMITTEE

27th June 2022

Present – The Chair (Councillor Hull) and Councillors Barrett, Handley, Lis, Mercer, Noland and Place.

Officers – Chief Finance Officer (s151 Officer), Solicitor to the Council and Deputy Monitoring Officer, Finance Manager, Audit Services and Fraud Manager (Harrogate Borough Council) (Virtual), Strategic Manager and Democratic Services and Scrutiny Officer.

Apologies for absence were received from Councillor Wheeler.

Start: 6.35pm

Finish: 7.55pm

Resolved – That the minutes of the meeting held on 21st March 2022 were approved as a correct record.

Minutes for Report

AC.431

Draft Annual Governance Statement 2021-22

The Finance Manager introduced the report, explaining that it had already been contributed to by Internal Audit. Members felt that this summary was useful, and it was

Resolved – That, the content of the Draft Annual Governance Statement 2021/22 was noted, and that the inclusion of the Annual Governance Statement in the 2021/22 Statement of Accounts was approved.

AC.432

Internal Audit Recommendations – Progress Report

The Audit Services and Fraud Manager introduced the report explaining that 2021/22 had seen a return to usual audit work and as a result, the new recommendations were emerging. It was highlighted that anything causing concern would be brought before the committee. It was reported that there are 31 recommendations outstanding, four of which are priority one. The Audit Services and Fraud Manager thanked Council Officers for providing the updates.

Members were pleased to hear that the Chief Finance Officer and the Audit Services and Fraud Manager would discuss which recommendations are most important as LGR approaches.

Resolved – That, the Internal Audit Recommendations – Progress Report is noted.

AC.433

Audit Services Progress Report as at 14th June 2022

The Audit Services and Fraud Manager explained that the annual report would be given to the next Committee meeting in order to avoid providing Members with a partially completed document. It was explained that LGR had caused delays as there is insufficient capacity to deal with the issues faced. Members were assured that priority would be given to higher risk areas, with other areas seeing delays – Housing Benefits specifically. They were also pleased to hear that incomplete audits may still be looked at after LGR.

AGENDA ITEM 2

Members highlighted that LGR had caused some Officers to leave the Council. Members were concerned that some audits were yet to start, due to LGR, and suggested that this wasn't good for local services. The Chief Finance Officers highlighted that incomplete audits don't necessarily mean a negative impact on local services. Members also questioned why some audits had taken longer than predicted, but were pleased to hear that nothing was of significant concern and that the allocated time was only an estimate.

Resolved – That, the Audit Services Progress Report as at 14th June 2022 is noted.

AC.434 Introduction of Member engagement with pre-Application Enquiries

The Strategic Manager introduced the report, suggesting that Member engagement with pre-Application Enquiries would improve the Planning service by having discussions earlier on in the process, and making it clear to those involved that there is no Member or Officer predetermination. The four levels of the suggested pre-Application process described in paragraph 4.1 of the report were explained to Members, and it was highlighted that three Planning Officers had been involved in the drafting of this report. It was also clarified that it would not be essential for developers to carry out pre-Application Enquiries, only advised. Members added that Craven District Council isn't the only organisation to look into implementing pre-Application Enquiries. The Solicitor to the Council informed Members that, if approved, this report would still have to go to the Standards Committee of 20th July 2022, before going to Full Council for final approval. It was also noted that the report is incorrect in paragraph 2.1, and that it should say 'Standards Committee' rather than 'Scrutiny Committee'.

Members recognised that the suggested pre-Application process would allow for more transparency, emphasising that the public perception of the Council is important and should only be improved.

Members understood that there is a limit to what the suggested process can achieve in Craven District Council's final 9 months, but hoped that a similar process would be discussed by the new authority. However, it was made clear that adoption of the pre-Application process was not guaranteed.

Concerns were raised over whether the Planning Department would be strained too much, but the Strategic Manager highlighted that introducing this process would help to reduce the number of issues further down the line. Members were also assured that the Planning Department had met its targets in the last 9 months.

Members queried whether this policy put the integrity of Council Officers and Members into question.

It was recognised that, if this process were to be brought in, Members and Officers would have to be careful when speaking to developers and the public, and that they would require some essential training as the stakes would be high.

Members were pleased to hear that if major amendments were made, this policy would come back to the Committee.

Members wanted the Standards Committee to be reminded that, even if the Audit and Governance Committee approved the report, it wasn't yet complete and needed further work. It was noted that the workings of the pre-Application process were still liquid so could be changed if necessary.

AGENDA ITEM 2

Resolved – That, the Introduction of Member engagement with pre-Application Enquiries report is agreed by the Audit and Governance Committee, on the basis that Standards Committee will further review the policy.

Minutes for Decision

AC.435

Amendments to Planning Scheme of Delegation

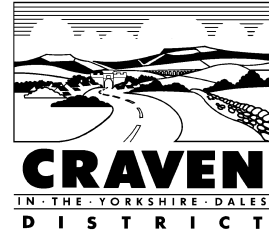
The Strategic Manager introduced the report, highlighting that the 7-day notice procedure, as explained in paragraphs 3.1 and 3.2, is unique to Craven District Council. It was reported that, in total, very few applications require this procedure, but that in 2021, 48% of all applications that went before the Committee were Councillor call-ins.

Members agreed that the 7-day notice was important and were content with the changes outlined in the report. It was noted that some Members felt that communications were often too slow and it was suggested that this should be done earlier. Members also suggested that the number of changed decisions in 2021/22 due to the 7-day notice process should be included when this report goes to Full Council.

Resolved – That, the Amendments to the Planning Scheme of Delegation are noted and recommended to Council for adoption.

Chairman.

**Audit and Governance Committee –
24th October 2022**



**EXEMPTION FROM CONTRACT
PROCEDURE RULES TO SUPPLY
AND ERECT AN OBERVATION HIDE
USING SECTION 106 MONIES BY
CONONLEY PARISH COUNCIL**

Report of the Chief Executive

Lead Member Robert Ogden

Ward(s) affected: Aire Valley with Lothersdale

1. **Purpose of Report:**

To request an exemption from the Contract Procedure Rules to supply and erect an observation hide within the Parish Council's land at Dead Eye pond.

2. **Recommendations:**

Members are recommended to:

- 2.1 In accordance with clause 6.4 of the Contract Procedure Rules, grant an exemption to the Rules to permit spend over the £10,000 threshold with only one quote.

3. **Background:**

- 3.1 The Dead Eye site is a sensitive environmental area on the Cononley floodplain contained within a pocket of land owned and managed by Cononley Parish Council.

The advice of the Yorkshire Wildlife Trust, Environmental Agency and Aire Rivers Trust was sought on a plan drawn up by the Wild Trout Trust (WTT) for the area. The plan recommends siting of a community wildlife observation structure.

- 3.2 The site has challenging access conditions that demand the structure is prefabricated, delivered and erected by an organisation that has the skills to undertake such work with a keen awareness of the sensitivity of the wildlife in and around Dead Eye.

The Parish Council's values further require suppliers to use recycled material wherever possible, to design a structure that complements the immediate environment and contributes to community betterment at source and/or within the Parish boundary.

Green Building Futures (GBF) are a recommended supplier as a not-for-profit social enterprise based in Yorkshire that works at a national level with voluntary sector organisations including Wildlife Trusts and the RSPB. Their specialism is the design and construction of outdoor wildlife structures and related infrastructure; they are specialists in the field.

4. **Exemption from the Contract Procedure Rules:**

- 4.1 Section 106 (S106) agreements are legal agreements between Local Authorities and developers. They are linked to planning permissions and provide contributions towards the costs of providing community and social infrastructure, the need for which has arisen as a result of the new development taking place.

106 monies are received by Craven District Council and under the Public Open Space element is allocated to asset holders such as Cononley Parish Council. The funding must be used for capital projects, must be open to the general public and have wide public and community benefit. The spend is subject to CDCs procurement rules.

Cononley Parish Council are in receipt of S106 monies from the Cononley Station Mill Development under the Public Open Space element of the S106 agreement.

- 4.2 Under the Contract Procedure Rules, a tender exercise would normally be carried out to procure the hide. However, it is recognised that under certain circumstances there are occasions when it is not appropriate to seek tenders provided that propriety and value for money can be demonstrated.
- 4.3 The Parish Council have not been able to identify an alternative supplier that meets the above criteria. The Parish Council noted that established charities employing GBF have the expertise and experience to benchmark GBGs ward for value for money. Based on this, the Parish Council are happy a bespoke item from the organisation will meet the community's needs and provide value for money.

5. **Implications**

- 5.1 **Financial Implications –**
Cost of project £16,815.

Funding from S106 monies from Cononley Station Mills and Awards for All.

- 5.2 **Legal Implications –**

The Contract Procedure Rules provide for the Committee to grant an exemption from any of the provisions of the Rules if satisfied that the exemption is justified in special circumstances (rule 6.4)

- 5.3 **Contribution to Council Priorities –**
Supporting the wellbeing of our communities – Developing vibrant, connected and healthy communities.

5.4 **Risk Management –**

There is a time limitation for spending S106 monies, Cononley Parish Council have been faced COVID related delays and there is a risk that the money will not be spent within the time frame, and the money could be lost to the community.

Consultations with Others –

Yorkshire Wildlife Trust
Environmental Agency
Aire Rivers Trust
Wild Trout Trust

6. **Access to Information: Background Documents –**

Green Future Building Proposal

7. **Author of the Report –**

Elaine Hiser, Sports Development Officer
Telephone: 01756 706391
Email: ehiser@cravendc.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

8. **Appendices –**

Appendix A – Proposed Hide/Observation Shelter for the Dead Eye Wetland, Cononley.

Proposed Hide/Observation Shelter for the Dead Eye Wetland Cononley



GFB Hides are built with ethically and responsibly sourced fully sustainable materials. We also endeavour to manufacturer and install all are conservation products with the minimum carbon footprint and impact on the environment.

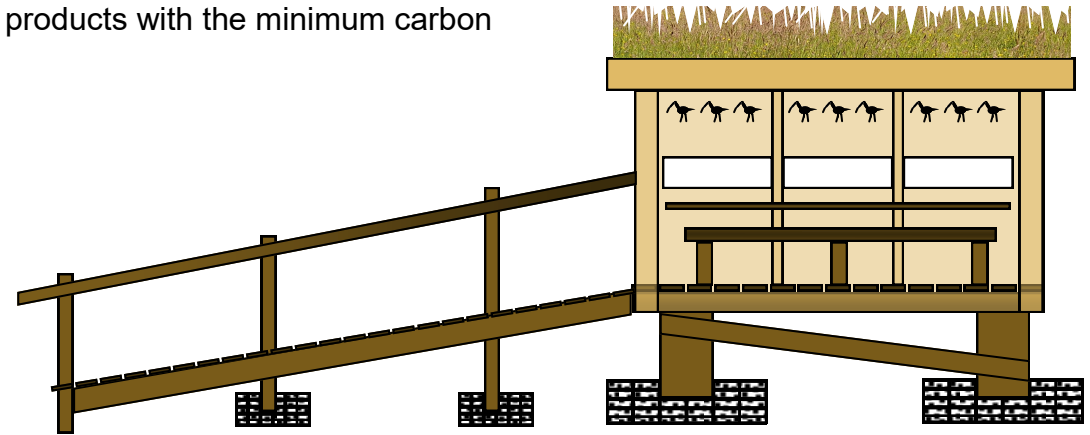
The concept is to create a structure that maximises the experience of a walk to the area by providing a hide/shelter where anyone can sit and enjoy the wildlife in the immediate habitat and view across the river valley fields. The hide itself to be designed and produced to add to and increase the biodiversity by providing bird nesting cavities and the opportunities for animals and plants to colonise the structure.

Our recommendation is for the hide to be raised 1.5 meters above ground level for the following reasons:

To create the best possible viewing experience from the hide, being raised above ground level allows for observation of the birds and animals visiting the Dead Eye Pool and the surrounding reeds, additionally viewing across all the river valley landscape is made possible.

The site is subject to occasional flooding therefore the elevation, design and product specification will allow the floodwater to flow under and through the structure. Stone gabions to be used to anchor the hide with vertical timber structural supports secured within the baskets. The use of gabions negates the need for any concrete footings, creates additional habitat for insects and invertebrates, and also allows the original ground vegetation to continue to grow under the structure.

Access to be from the rear on the North side via a boardwalk ramp with safety handrail allowing easy access for all including families with young children.



Supporting frame is made from structural graded pressure treated timber from FSC forests.

The proposed material for the hide exterior is Extreme Fibreboard Tricoya which is completely resistant to water and decay (50 years) and therefore is maintenance free. The Roof is designed to accommodate growing vegetation creating habitat that can be colonised by local plants and soil invertebrates, helping the structure to blend into its landscape.

A shelf is fitted internally below the openings for support of elbows, or to place books and enjoy picnics. Solid timber fixed seating.

All hides are manufactured by GFB Ltd at our workshop in West Yorkshire and all installation site works carried out by the GFB team.

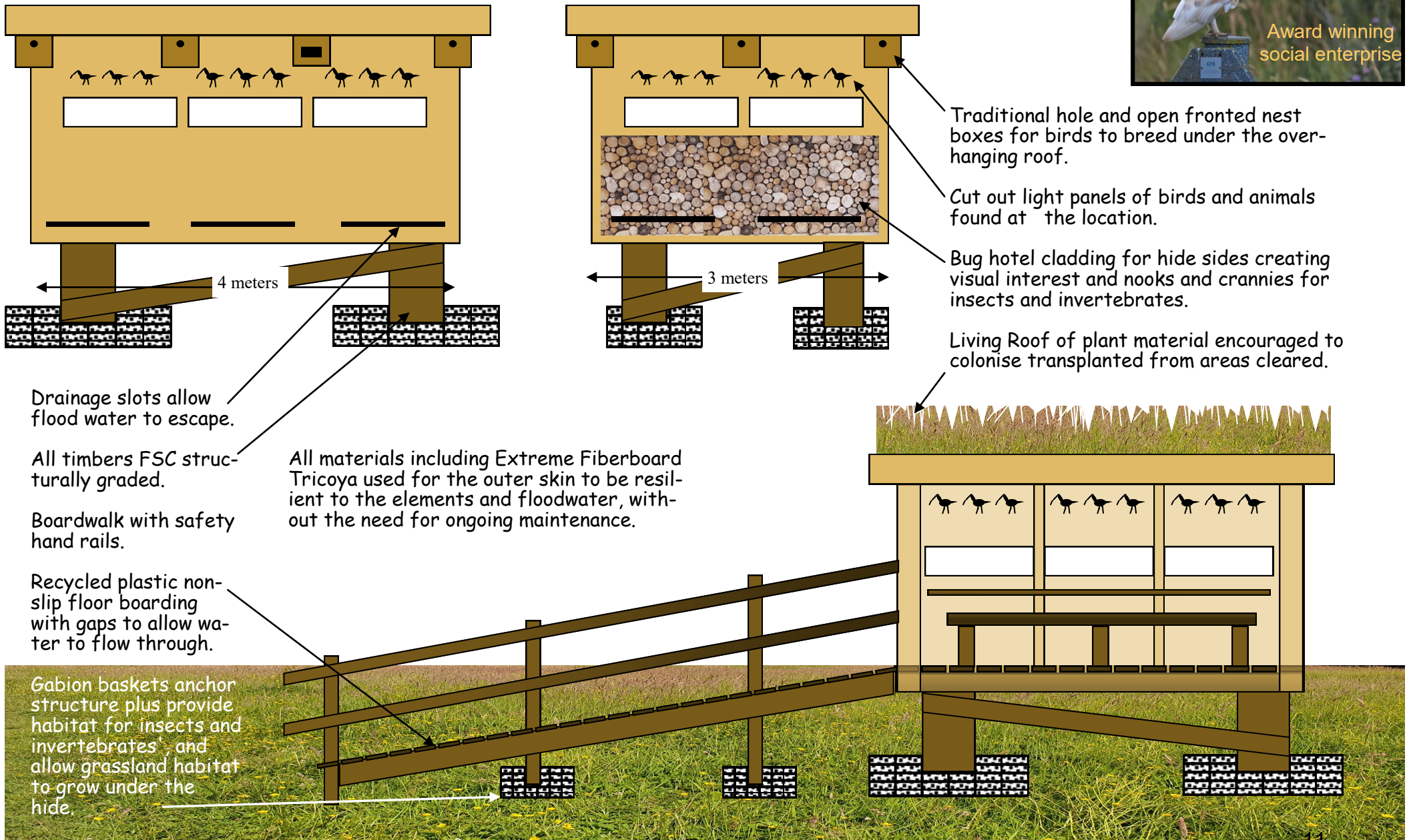
Green Future Building Ltd is a not for profit social enterprise, committed to conservation recognising the increased need for sustainable building and continuing to develop the use of recycled and sustainable materials. We are working in partnership with other trusts, charities and social enterprises on projects aimed at creating opportunities for people and communities to develop skills, continue training and create employment opportunities in the conservation and green build sector. See www.greenfuturebuilding.org.uk

Green Future Building Ltd.

Unit 7 Railway Sawmills, Burbeary Road, Lockwood, Huddersfield. HD1 3UN

Tel. 07917167779

Hide and Observation Shelter for the Dead Eye Wetland



Traditional hole and open fronted nest boxes for birds to breed under the over-hanging roof.

Cut out light panels of birds and animals found at the location.

Bug hotel cladding for hide sides creating visual interest and nooks and crannies for insects and invertebrates.

Living Roof of plant material encouraged to colonise transplanted from areas cleared.

Drainage slots allow flood water to escape.

All timbers FSC structurally graded.

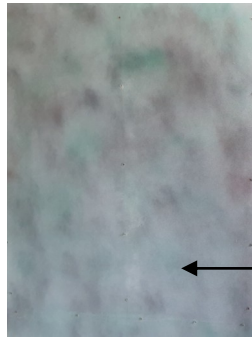
Boardwalk with safety hand rails.

Recycled plastic non-slip floor boarding with gaps to allow water to flow through.

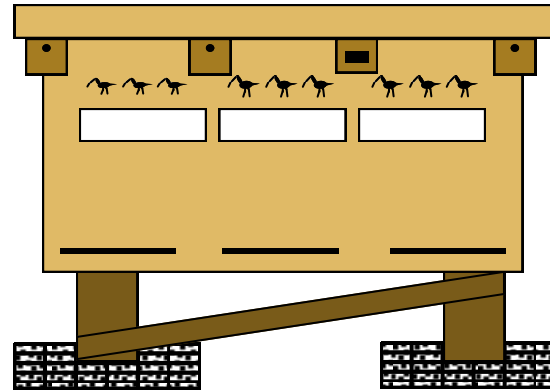
All materials including Extreme Fiberboard Tricoya used for the outer skin to be resilient to the elements and floodwater, without the need for ongoing maintenance.

Gabion baskets anchor structure plus provide habitat for insects and invertebrates, and allow grassland habitat to grow under the hide.

Hide and Observation Shelter for the Dead Eye Wetland



The Extreme Fibreboard Tricoya is a soft Grey/ yellow colour which fades paler and greyer when left to weather naturally. Alternatively we also colour the boards to produce variations of a soft pattern to match the location.



Light panels depicting bird (or animal) species. Only curlews shown on drawings but any creature with a distinctive silhouette can be used.



Bug hotel walls create visual interest on approaching the hide and provide wildlife habitat.

GFB Hide/Wildlife Observation shelter built with ethically and responsibly sourced fully sustainable materials. Bespoke designed for minimum environmental impact and carbon footprint, to deliver added value in observer enjoyment and provide additional wildlife habitat opportunities.

Hide/Observation Shelter	£13,870
Raised connecting boardwalk	
Delivery ground works and hide installation to Dead Eye, Colonley	£2,945

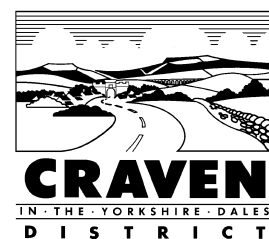
All prices subject to VAT unless all exemption certification is received with the purchase order.

All hides are manufactured by GFB Ltd at our workshop in West Yorkshire and all installation site works carried out by the GFB team.

Documents relating to insurances, health and safety, risk assessment and method statements will all be provided before site work commencement.

Audit & Governance Committee – 24th October 2022

Internal Audit Recommendations – Progress Report



Report of the Audit Services and Fraud Manager

Lead Member – Councillor P. Mulligan

Ward(s) affected: All

1. **Purpose of Report** – To update committee members on progress against recommendations made by the Internal Audit team.

2. **Recommendations** – Members are recommended to:

2.1 Note progress against Internal Audit recommendations

3. **Background Information**

The Council’s Internal Audit team carries out an agreed programme of work to ensure that the controls that the Council has put in place to meet its objectives, comply with current legislation and ensure best value both reflect good practice and are being consistently and rigorously observed.

3.1 In light of the Local Government Reorganisation, it has been recognised that some recommended actions will not be practicable to undertake in the short-term. Audit Services are now working with Services to close down all recommendations before the 31st March, including a new option of putting the recommendation on hold due to LGR, this means that post 1st April 2023 these areas of unmitigated risk found through previous audit work can be monitored and reviewed.

3.2 There are 19 recommendations outstanding, 1 of which is a Priority 1 recommendation.

Summary of Internal Audit recommendations

	Priority 1	Priority 2	Priority 3
Audit recommendations completed	1	2	2
Audit recommendations on hold due to LGR	2	5	2
Audit recommendations not agreed/ risk tolerated	0	4	1
Audit recommendations outstanding	1	16	2

4. **Financial and Value for Money (vfm) Implications** – An effective programme of Internal Audit is a key component of the Council’s Performance Framework and assurance activity, preventing financial loss and ensuring value for money.

5. **Legal Implications** – none

6. Contribution to Council Priorities

6.1 No direct impact on Council Priorities. Effective Risk Management improves the likelihood of the successful delivery of Council Priorities

6.2 Impact on the declared Climate Emergency – No specific impact on the declared Climate Emergency

7. Risk Management

The Internal Audit programme includes regular review of the Council's Risk Management arrangements. Recommendations relating to Risk Management are described in this report.

7.2 Chief Finance Officer (s151 Officer) Statement

7.3 Monitoring Officer Statement

8. Equality Analysis – not applicable

9. Consultations with Others

CLT, SLT members with assigned recommendations.

10. Background Documents

11. Appendices –

Appendix I – 'Internal Audit Recommendations –Progress Update September 2022

12. Author of the Report

Gill Hoyes, Auditor
Telephone: 01423 500600 (58584)
e-mail: gill.hoyes@harrogate.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Appendix I

Internal Audit Recommendations – Progress Update, September 2022

Internal Audit – Recommendations satisfied since the previous report (June 2022)

*Note – all recommendations in this section are rated **Green** as they have been completed*

Action Name	Priority Level	Action Service	Comment
The figures from the reconciliation between the stock holding account and the recharge sheet should be agreed to those of the annual physical stock check when this is carried out 363	2	Environment	Implemented 26/08/2022
To comply with Ministry of Housing, Communities and Local Government advice agreements should include clauses stating when and how the funds will be used by and allow for their return, after an agreed period, for any remaining balances. 416	3	Planning	Implemented 25/08/2022
CDC officers review and correct variances between the Fees and Charges report/Website/Fees charged to customer relating to land charges and the one leisure activity. 488	1	Finance	Implemented 01/09/2022
The ways in which to initially raise a data breach should allow for a sufficient number of substitute officers to access such alerts in the event of staff unavailability 495	2	ICT	Implemented 26/07/2022

AGENDA ITEM 7a APPENDIX A

Consideration should be given to embedding links to the Security Incident Reporting Form from Security Incidents Policy and Guidance 496	3	ICT	Implemented 19/08/2022
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Internal Audit – Recommendations closed since previous reporting period: Owing to LGR will not be progressed

Note – all recommendations in this section are rated light green, as they being held until post vesting day for possible reassessment.

Action Name	Priority Level	Action Service	Comment
Payments for dog waste bags, parking permit amendments/cancellations and tickets should be taken in advance to the service provided and no debtor invoice will be raised. Ref 212	3	Finance Services	Auditor 08/06/2022 Following debtors audit 21/22; the same recommendation was included with the following management response "Sundry Debt policy partially drafted and as this was a recommendation from the last audit, the A&G Committee has been updated with the progress on this. However, given LGR and the inevitable adoption of a combined Policy – the risk for another year is minimal."
A sundry debt policy should be introduced. Ref 216	2	Financial Services	Auditor 12/04/2022): Following debtors audit 21/22; the same recommendation was included with the following management response "Sundry Debt policy partially drafted and as this was a recommendation from the last audit, the A&G Committee has been updated with the progress on this. However, given LGR and the inevitable

AGENDA ITEM 7a

APPENDIX A

adoption of a combined Policy – the risk for another year is minimal."

Finance Manager 23/08/2021

The Policy is in draft. The Policy will be completed and reviewed once the new CFO is in position (September 21). This will be completed by the end of the Financial year 21/22.

Process would benefit from CDC developing an overall guidance/workflow document, which would identify and highlight the processes that are in place within CDC relating to the entire S106 process. This guidance document should be reviewed regularly and updated as required.

413

3

Planning

Planning Manager

25/08/2022 Update received from - The Planning Manager to liaise with Heads of Planning across North Yorkshire to ensure a consistent approach with LGR

Training surrounding Risk should be arranged for Members of Audit & Governance

437

2

Finance

Auditor

26/07/2022

The Chief Finance Officer and the Finance Manager confirmed at the meeting of the 12/07/22 that this recommendation would not be implemented before LGR

Training surrounding Risk should be arranged for those officers for whom it is currently outstanding

438

2

Finance

Auditor

26/07/2022

The Chief Finance Officer and the Finance Manager confirmed at the meeting of the 12/07/22 that this recommendation would not be implemented before LGR

AGENDA ITEM 7a APPENDIX A

<p>The introduction of Sundry Debt Policy document should be undertaken and all staff should be made aware of the policy.</p>	1	Finance	<p>Finance Manager 19/12/2021</p>
<p>This policy should be shared widely with officers involved in the sundry debt process and recovery of debt.</p>			<p>Sundry Debt policy partially drafted and as this was a recommendation from the last audit, the A&G Committee has been updated with the progress on this. However, given LGR and the inevitable adoption of a combined Policy – the risk for another year is minimal.</p>
<p>474</p>			
<p>Legal should continue to develop and introduce the above document to help officers with debt recovery duties.</p>	2	Legal	<p>Auditor 18/08/2022</p>
<p>These documents/policies should be shared widely with officers involved in the sundry debt process and recovery of debt.</p>			<p>The document <i>Principles of Debt Recovery</i> would feed into the <i>Sundry Debt Policy</i>. It has been previously stated that no Sundry Debt Policy will be introduced due to LGR and the inevitable adoption of a combined Policy. The risk of operating without this policy for another year is minimal and will be tolerated.</p>
<p>487</p>			
<p>The introduction of Sundry Debt Policy document should be undertaken and all staff should be made aware of the policy. - see recommendation 474</p>	1	Finance	<p>Finance Manager 19/12/2021</p>
<p>489</p>			<p>Sundry Debt policy partially drafted and as this was a recommendation from the last audit, the A&G Committee has been updated with the progress on this. However, given LGR and the inevitable adoption of a combined Policy – the risk for another year is minimal.</p>
<p>The introduction of Sundry Debt Policy document should be undertaken and all staff should be made aware of the policy. (Recommendation ref 474)</p>	2	Finance	<p>Finance Manager 10/01/2022</p>
<p>491</p>			<p>Sundry Debt policy partially drafted and as this was a recommendation from the last audit, the A&G Committee has been updated with the progress on this. However,</p>

AGENDA ITEM 7a APPENDIX A

given LGR and the inevitable adoption of a combined Policy – the risk for another year is minimal.

Audit Response

Where no sundry debt policy is in place it opens the authority to the risk of current aims and procedures not being adhered too. With possible financial loss to the authority resulting from recovery action not been undertaken promptly

Internal Audit – Recommendations closed since previous reporting period:

Note – all recommendations in this section are rated red, as the recommendation are not agreed by management (risk tolerated)

Action Name	Priority Level	Action Service	Comment
<p>Outstanding commitments should feed through onto Agresso general ledger, to enable full financial monitoring to take place. Regular "housekeeping" should be undertaken to ensure that only relevant orders are outstanding. Ref 341</p>	2	Finance	<p>Auditor 08/06/2022 The management response is noted, but risk remains that financial monitoring will not contained the latest relevant commitment detail</p> <p>Auditor 22/02/2022 Update received from Finance Manager - It is unlikely that this recommendation is going to be progressed. As stated below, that any commitments within the Budget Control processes will be identified and any orders raised are captured within the forecast reports where required.</p> <p>Auditor 29/11/2021 There has still been no progress on this, due to other commitments. As there is the continued monitoring within the</p>

AGENDA ITEM 7a APPENDIX A

Budget Control processes it is expected that any orders raised are captured within the forecast reports where required

September

This exploration has not yet commenced due to other work commitments for the Systems admin and more pressing functionality updates to the system. The commitments are still being monitored through budget monitoring on the quarterly basis and included in forecasts where appropriate.

Website information should be expanded to cover all new rights of individuals under the GDPR
394

3 ICT

CIO 20/11/2021

Not agreed
The obligation to provide information on individual rights is only explicitly required to be communicated in Privacy Notices (Article 13) and in response to an individual exercising their right of access (Article 15). There is no obligation or requirement on data controllers to provide this information on the website or otherwise. A hyperlink to ICO guidance regarding individuals’ rights will however be inserted on the website

Audit Comment

Audit Services consider it necessary to report that in our opinion the above arrangement does not fully mitigate against the risk and is not sufficient. The ICO is clear on transparent and easy to understand instructions being paramount. We note that the Council has chosen to accept this risk.

Succession planning for the data protection officer role should be addressed
397

2 ICT

CIO 20/11/2021

Not agreed
In the absence of the current officer, responsibility reverts to the CIO & Assets and Commercial Services of which the Corporate Leadership Team are aware.

Audit Comment

AGENDA ITEM 7a

APPENDIX A

It is the opinion of Audit Services that the current succession planning arrangements do not fully address the situation should the current officer responsible for data protection be unavailable for any length of time, or leave council employment. Whilst we note that the Council are willing to accept this risk, we consider it necessary to report our considered weakness in control.

The ways in which to initially raise a data breach, and with whom, should be set out clearly and consistently across all documentation which is then kept up to date
494

2 **ICT**

Information Governance Manager
05/08/2022

*Communications issued in Core Brief and emails to all Service Managers (who were to cascade the message) provide clear direction on how to raise a data breach concern.

*Due to the small size of CDC, employees are aware of ex-colleagues no longer working for the Council and who the current Information Governance Manager is.

*Business Support are much improved in identifying matters that should be sent to the DPO mailbox.

*Due to the impending changes to documents regarding the LGR, the Security Incident Form has not been changed online, however as colleagues will contact the DPO mailbox in the first instance, this is when they are provided with the amended version and asked to complete the reporting form before returning it to the DPO mailbox.

*We are satisfied that what we have in place now, supported by regular communications to colleagues, is capturing personal data breaches and is meeting the short term needs of the current organisation.

*Due to my role as DPO and Complaints Manager, I am regularly in contact with managers across the organisation who are aware of my roles and know that they can approach myself, the Information Support Officer, or the CIO and Head of Assets & Commercial if they are unsure of anything

AGENDA ITEM 7a

APPENDIX A

Auditor

05/09/2022

- * Audit do not dispute that communications in Core Brief and to Service Managers provide clear direction, however as it was agreed that the ways to raise should be consistently set out across all documentation and kept up to date, it cannot be said at this time that the recommendation has been implemented.
- * If LGR is preventing online documentation changes but the amended version is available upon request, then Audit would query the necessity of retaining the original version
- * It is reassuring to hear of improvements in the identification of matters for sending to the DPO, nevertheless, Audit consider that if documentation is to be retained then it should be fully up to date or otherwise removed; if not, this may risk confusion
- * This recommendation has therefore been marked as closed but not implemented; the Service accepting the risk

It should be ensured that it is the updated version of the Security Incidents Guidance that is held on the new intranet once relaunched
497

2 **ICT**

Information Governance Manager

05/08/2022

- * The reality is that due to the Council being so small, colleagues don't tend to use online resources as they are aware of me and the DPO mailbox. Recent advice in Core Brief and training modules reflects the 72 hour time limit of reporting investigated and assessed incidents to the ICO. This will be covered in the guidance issued later this month.
- *We are satisfied that what we have in place now, supported by regular communications to colleagues, is capturing personal data breaches, and is meeting the short term needs of the current organisation. Due to my role as DPO and Complaints Manager, I am regularly in contact with managers across the organisation who are aware of my roles and know that they can approach myself, the Information Support Officer, or the CIO if they are unsure of anything.

AGENDA ITEM 7a APPENDIX A

Auditor

05/09/2022

- * As it was agreed that the updated version of the Guidance would be held on the new intranet, it cannot be said at this time that the recommendation has been implemented.
- * The Guidance does not reflect the key point of the 72 hour reporting timeframe whereas this has been described in Core Brief and in training and as such the advice provided is not fully consistent.
- * Staff can forget training and may not recall the corresponding Core Brief containing the relevant information, but, if it is felt that nevertheless staff would not refer to online resources for clarification and would alternatively raise with the DPO, the implication being that the omission from the Guidance is low risk, then this would raise the question of the purpose of Guidance retention
- * Audit consider that if the Guidance is to be retained then it should be fully up to date or otherwise removed; if not, this may risk confusion
- * This recommendation has therefore been marked as closed but not implemented; the Service accepting the risk

Internal Audit – Recommendations remaining outstanding from previous reporting period

Note – all recommendations in this section are rated Amber, as they have not been met within the expected timescale

Action Name	Report Origin	Priority Level	Action Service	Status	Due Date	Expected Date	Comment
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AGENDA ITEM 7a

APPENDIX A

<p>The authority should develop a consistent approach to procurement and communicate it to all managers (Agency Staff) Ref 275</p>	<p>Use of Agency Staff and Contract employees C10/2018</p>	<p>3</p>	<p>Human Resources</p>	<p>Amber</p>	<p>Feb 2019</p>	<p>Oct 2021</p>	<p>Auditor 29/11/2021 This will be considered as part of the review of the Councils Procurement Strategy.</p> <p>Auditor September A procurement exercise to improve compliance for the procurement of agency staff was included in the 2020/21 Procurement Strategy but was not started due to resource availability caused by the pandemic. Resource is now unlikely to be available for the approach originally considered (i.e. to develop a local framework for agency staff appointments), which may also no longer be the most appropriate course of action due to Local Government Reorganisation. We are reviewing our approach. We will report on the new approach that we are taking in the next quarter.</p>
<p>Risk Management guidance documentation should be reviewed and updated and published on the intranet together with the Risk Management training documentation 439</p>	<p>Risk Management C9/2020</p>	<p>2</p>	<p>Finance</p>	<p>Amber</p>	<p>09/10/2021</p>	<p>Auditor 26/08/2022 Update on the latest position regarding implementation requested from the Chief Finance Officer and the Finance Manager</p> <p>Auditor 25/07/2022 The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that they would update wording</p> <p>Auditor 10/06/2022 Risk management training and guidance does not yet appear to be available on the intranet. Queried with the Chief Finance Officer / Finance Manager</p> <p>Exchequer & Performance Manager 14/03/2022</p>	

AGENDA ITEM 7a APPENDIX A

We have agreed with RMG and A&G Committee that training and guidance will be made available on the Intranet. The S151 Officer has agreed which training and guidance should be shared, but it does require slight update to reflect current policy. Revised implementation date now April 2022

Auditor 07/03/2022

Update on latest position requested from Exchequer & Performance Manager

Auditor 06/03/2022

The Exchequer & Performance Manager stated on 22/11/21 that the guidance documentation has been updated and was agreed at Risk Management Group on 12th October. This should be approved at A&G on 6th December, then will be uploaded to the Intranet. Revised estimated date for completion by mid Dec 2021.

Auditor 26/08/2022

Update on the latest position regarding implementation requested from the Chief Finance Officer and the Finance Manager

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that they would update on progress

Auditor 10/06/2022

Evidence requested from the Chief Finance Officer / Finance Manager

Exchequer & Performance Manager 14/03/22

Care should be taken to ensure that the appropriate RAG status of risk scores is applied 442	Risk Management C9/2020	3	Finance	Amber	09/10/2021
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AGENDA ITEM 7a APPENDIX A

This has been highlighted in the revised strategy and policy, but we won't see whether that has been effective until we've done a round of reporting. Revised implementation date now May 2022

Auditor 07/03/2022

Update on latest position requested from Exchequer & Performance Manager

Auditor 06/03/2022

The Exchequer & Performance Manager stated on 22/11/21 that these specific notes and recommendations have been shared with SLT members. The update to operational risk registers is currently underway and we should soon have a clear picture of whether attempts to raise awareness of these issues and requirements have been successful. Revised estimated date for completion by end Jan 2022.

Auditor 26/08/2022

Update on the latest position regarding implementation requested from the Chief Finance Officer and the Finance Manager

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that they would update

Auditor 10/06/2022

Evidence requested from the Chief Finance Officer / Finance Manager

Exchequer & Performance Manager 14/03/22

Realistically achievable implementation dates should be established where further mitigating actions are required and revised implementation dates established where necessary
443

Risk Management C9/2020	2	Finance	Amber	09/10/2021
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AGENDA ITEM 7a APPENDIX A

This is in the revised strategy but difficult to evidence the impact as haven't yet taken a new risk report to RMG/A&G now likely to be May. Revised implementation date now May 2022

Auditor 07/03/2022

Update on latest position requested from Exchequer & Performance Manager

Auditor 06/03/2022

The Exchequer & Performance Manager stated on 22/11/21 that these specific notes and recommendations have been shared with SLT members. The update to operational risk registers is currently underway and we should soon have a clear picture of whether attempts to raise awareness of these issues and requirements have been successful. Revised estimated date for completion by end Jan 2022.

Auditor 26/08/2022

Update on the latest position regarding implementation requested from the Chief Finance Officer and the Finance Manager

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that they would update

Auditor 10/06/2022

Strategy & Policy appear to refer to action plans but not to scoring threshold. Queried with the Chief Finance Officer / Finance Manager

The threshold for which an action plan is required should be clarified and such plans noted on the risk register, or, if applicable, it is stated that no action is possible
444

Risk Manageme nt C9/2020	2	Finance	Amber	09/10/2021
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AGENDA ITEM 7a APPENDIX A

Exchequer & Performance Manager 14/03/22

This is in the revised and agreed strategy and policy and will appear once on Intranet. Revised implementation date now April 2022.

Auditor 07/03/2022

Update on latest position requested from Exchequer & Performance Manager

Auditor 06/03/2022

The Exchequer & Performance Manager stated on 22/11/21 that these specific notes and recommendations have been shared with SLT members. The update to operational risk registers is currently underway and we should soon have a clear picture of whether attempts to raise awareness of these issues and requirements have been successful. Revised estimated date for completion by end Jan 2022.

Auditor 26/08/2022

Update on the latest position regarding implementation requested from the Chief Finance Officer and the Finance Manager

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that they would update - One additional meeting to be held and wording updated

Auditor 10/06/2022

Evidence requested from the Chief Finance Officer / Finance Manager

The monitoring, review and reporting cycle of actions should be adhered to
445

Risk
Managemen
nt
C9/2020

1

Finance

Amber

09/10/2021

AGENDA ITEM 7a APPENDIX A

Exchequer & Performance Manager 14/03/22

A round of meetings were started according to the timetable that we set out. However the last one had to be cancelled for reasons beyond our control. Expecting to resume by May.

Auditor 07/03/2022

Update on latest position requested from Exchequer & Performance Manager

Auditor 06/03/2022

The Exchequer & Performance Manager stated on 22/11/21 that CLT and SLT had had a renewed focus on ensuring that the reporting timetable is adhered to. A Risk Management Group meeting was held on 12th October 2021, follow-up actions and feedback were shared with SLT on 16th November 2021, and matters arising / reports requiring Member approval will be reported to Audit & Governance Committee on 6th

Auditor 05/09/2022

Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days

Auditor 26/08/2022

Update on latest position regarding implementation requested from the Corporate Safety Advisor

Auditor 25/07/2022

<p>Outstanding training for fire marshals and first aiders should continue to be progressed 476</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>19/05/2022</p>
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AGENDA ITEM 7a APPENDIX A

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/0722 that this recommendation needs further clarification from the Corporate Safety Adviser

Auditor 10/06/2022

Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser

Auditor 05/09/2022

Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days

Auditor 26/08/2022):

Update on latest position regarding implementation requested from the Corporate Safety Advisor

Auditor 25/07/2022):

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/0722 that this recommendation needs further clarification from the Corporate Safety Adviser

Auditor 10/06/2022

Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser

<p>A list of fire marshals and first aiders, once trained, should be published and this list kept up to date 477</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>19/05/2022</p>
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AGENDA ITEM 7a APPENDIX A

<p>The introduction of a training matrix by each service area should continue to be developed 478</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>19/05/2022</p>	<p>Auditor 05/09/2022 Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days</p>
						<p>Auditor 26/08/2022 Update on latest position regarding implementation requested from the Corporate Safety Advisor</p>
						<p>Auditor 25/07/2022 The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser</p>
						<p>Auditor 10/06/2022 Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser</p>
<p>Induction checklists should be promptly completed in full 479</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>19/05/2022</p>	<p>Auditor 05/09/2022 Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days</p>
						<p>Auditor 26/08/2022 Update on latest position regarding implementation requested from the Corporate Safety Advisor</p>
						<p>Auditor 25/07/2022 The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this</p>

AGENDA ITEM 7a APPENDIX A

recommendation needs further clarification from the Corporate Safety Adviser

Auditor 10/06/2022

Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser

Auditor 05/09/2022

Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days

Auditor 26/08/2022

Update on latest position regarding implementation requested from the Corporate Safety Advisor

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser

Auditor 13/06/2022

Induction checklist requested from Operations Manager for review

Auditor 07/03/2022

Team Leader Environmental Health & Corporate Safety Advisor confirmed that all managers have been instructed about new employees and those employed in the last 6 months, and they, as well as

<p>Outstanding service area risk assessments should be completed 480</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>28/02/2022</p>
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AGENDA ITEM 7a APPENDIX A

						HR have been instructed to ensure H&S has been raised and discussed. To evidence that procedure is being complied with in practice via a sample test before marking recommendation as fully complete
						<p>Auditor 05/09/2022 Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days</p> <p>Auditor 26/08/2022 Update on latest position regarding implementation requested from the Corporate Safety Advisor</p> <p>Auditor 25/07/2022 The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser</p> <p>Auditor 10/06/2022 Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser</p>
Outstanding activity based risk assessments should be completed 481	Health and Safety Arrangements C7/2021	2	Legal Services	Amber	19/05/2022	
Risk assessments should be reviewed and modified accordingly to fully reflect any amendments in working practices since the	Health and Safety Arrangements C7/2021	2	Legal Services	Amber	19/05/2022	<p>Auditor 05/09/2022 Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days</p> <p>Auditor 26/08/2022</p>

AGENDA ITEM 7a APPENDIX A

pandemic
482

Update on latest position regarding implementation requested from the Corporate Safety Adviser

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser

Auditor 10/06/2022

Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser

Auditor 05/09/2022

Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days

Meetings of the Health & Safety Management Group should be reintroduced 483	Health and Safety Arrangements C7/2021	2	Legal Services	Amber	19/05/2022
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Auditor 26/08/2022

Update on latest position regarding implementation requested from the Corporate Safety Adviser

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser

Auditor 10/06/2022

AGENDA ITEM 7a APPENDIX A

						<p>Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser</p>
<p>An annual statement of health & safety, including past performance, incident summary, any issues and outlining priorities for the upcoming year, should be produced for reporting to the Council.</p> <p>484</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>19/05/2022</p>	<p>Auditor 05/09/2022 Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days</p> <p>Auditor 26/08/2022 Update on latest position regarding implementation requested from the Corporate Safety Advisor</p> <p>Auditor 25/07/2022 The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser</p> <p>Auditor 10/06/2022 Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser</p>
<p>Reporting of full performance monitoring to CLT should be re-introduced</p> <p>485</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>19/05/2022</p>	<p>Auditor 05/09/2022 Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days</p> <p>Auditor 26/08/2022</p>

AGENDA ITEM 7a APPENDIX A

Update on latest position regarding implementation requested from the Corporate Safety Adviser

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser

Auditor 10/06/2022

Update as to the latest position regarding recommendation implementation requested from the Team Leader Environmental Health & Corporate Safety Adviser

Auditor 05/09/2022

Per the Corporate Safety Adviser's email of 30/08/22, high workload due to LGR/staff vacancies has caused delays in providing an update. Update to be compiled and issued in coming days

Auditor 26/08/2022

Update on latest position regarding implementation requested from the Corporate Safety Adviser

Auditor 25/07/2022

The Chief Finance Officer and the Finance Manager agreed at the meeting of the 12/07/22 that this recommendation needs further clarification from the Corporate Safety Adviser

Auditor 10/06/2022

Update as to the latest position regarding recommendation implementation requested from

<p>Services should complete and return the annual Health & Safety declaration 486</p>	<p>Health and Safety Arrangements C7/2021</p>	<p>2</p>	<p>Legal Services</p>	<p>Amber</p>	<p>19/05/2022</p>
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AGENDA ITEM 7a APPENDIX A

the Team Leader Environmental Health & Corporate
Safety Adviser

Confirmation of payee checks should be introduced within the creditor set up and amendment working practices. This establishes that all the supplied bank account details correspond.

492

Creditors C3/2021	2	Finance	Amber	30/06/2022	Auditor 31/08/2022 Requested update
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Data should be prepared and published to comply with the requirements detailed in Regulation 113 of the Public Contracts Regulations 2015.

498

Creditors C3/2021	2	Finance	Amber	31/05/2022	Auditor 31/08/2022 Requested update Audit Manager 14/06/2022 Update will be followed up for next report
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Audit and Governance Committee 24th October 2022

ANNUAL INTERNAL AUDIT REPORT 2021/22



Report of the Audit Services and Fraud Manager – Shared Internal Audit Service

Ward(s) affected: All

1. Purpose of Report

- 1.1 To consider the key findings and conclusions from audit work undertaken in 2021/22 and to give an opinion on the overall adequacy and effectiveness of the Council's arrangements for risk management and governance and on its internal controls.

2. Recommendations

- 2.1 Members are recommended to note the contents of the report and note the annual audit opinion given based on the audit work undertaken during 2021/22.

3. Background Information

- 3.1 2020/21 was the first year of the extended Shared Internal Audit Service collaboration arrangement with Harrogate Borough Council, shared arrangements having been in place under previous agreements since April 2010. This arrangement will end on 31st March 2023 in time for transfer to the new Council NYC.

The service was hosted by Harrogate and provided 180 days per annum of audit time plus an additional 20 days per annum to be used at the discretion of Craven District Council's Chief Finance Officer (s151 Officer).

In line with the previous collaboration arrangement, the Shared Service was managed by a Partnership Board, which consisted of the Chief Finance Officers of the two authorities.

- 3.2 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the Standards and the Council's Internal Audit Charter the Chief Audit Executive or equivalent is required to submit an annual report which should include an overall opinion on the adequacy and effectiveness of the organisation's Risk Management and Governance arrangements and on its internal controls.

In addition, the report should:

- Include a summary of audit work actually undertaken to support the opinion
- Provide details of any qualification to the opinion, together with the reasons for the qualification (including any impairment to independence or objectivity)
- Comment on the performance of Internal Audit and its Quality Assurance and Improvement Programme.
- Comment on compliance with the PSIAS.

3.3 The Council is responsible for ensuring it complies with the law and proper standards to carry out its business. As such the Council is responsible for ensuring that effective Risk Management and Governance Arrangements and Internal Controls are in place in order to deliver value for money in the use of its resources and to achieve its corporate and service objectives.

3.4 Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of Risk Management, Control and Governance processes (PSIAS)

3.5 Internal Audit can provide reasonable assurance on the arrangements and controls examined. This does not imply infallibility. Internal Auditors cannot be expected to identify every weakness or irregularity. Also, Internal Audit is not an extension or substitute for management. It is for management to accept Internal Audit findings and implement recommendations or to accept the risks of not taking action.

4. Audit Approach

4.1 At the conclusion of all audit work undertaken, meetings have taken place between relevant service managers and chief officers to discuss and agree audit findings within our audit report. Representatives from Audit Services have attended all meetings of the Audit & Governance Committee during 2019/20 to present each audit report for scrutiny and challenge. Progress reports against the approved Audit Plan have also been submitted and discussed.

4.2 On reporting lines, the Audit Services have held regular meetings with the Strategic Manager – Financial Services (s151 Officer) and has also been given unrestricted access to both the Chief Executive and the Chair of this Committee. Meetings with the Chair of Audit & Governance have occurred in advance of every Audit & Governance Committee meeting.

4.3 On individual assignments, Internal Audit liaised with relevant Managers to agree the programme of work, kept them informed of progress during the course of the audit in question and subsequently discussed findings and agreed recommendations.

- 4.4 The level and mix of staff for each audit assignment has been determined by the knowledge and experience of the Auditors in the team, relative to the complexity of each audit. For example, the team's specialist auditor on ICT matters was allocated audit work in this service area.
- 4.5 During the year, the Audit Services Manager liaised with the Authority's external auditors, Mazars LLP. The objective was to maximise the benefit to the Authority from all audit work to avoid duplication of coverage and to learn from each other's findings to provide maximum assurance.
- 4.6 The achievement of the Annual Audit Plan depends upon the contribution of the Council's staff. Audit Services would like to record their appreciation for the involvement and commitment of staff and for their critical appraisal of the conclusions drawn and recommendations made.

5. Summary of Audit Findings

- 5.1 The Appendix attached to this report sets out details of all audits undertaken between 1st April 2021 and 31st August 2022. It includes details of planned audit days compared to actual days for each audit as well as the assurance level given and the number of recommendations made.
- 5.2 The Appendix shows 62.11% of audit work was completed by 31st August 2022.
- 5.3 In summary:
- 2 audits brought forward from 2020/21 were completed during 2021/22
 - 7 planned audits from the approved 2021/22 audit plan were completed in the year.
 - Work completed to support the COVID Business Support Grants with verification has been undertaken.
 - 4 audits have been cancelled following discussions with Senior Management and members of A&G Committee.
 - Recommendation follow up work has been undertaken. This confirmed that Management had made good progress with the implementation of audit recommendations.
 - 1 audit was postponed to post 2022/23
 - Analysis of payment information has been undertaken for identification of duplicate payments purposes.
- 5.4 The following assurance levels were awarded during the year:

	Audit work undertaken	Assurance Level awarded
1	Housing Benefits	Postponed to 2022/23
2	Payroll	Good
3	Creditors	Good
4	Debtors	Partial
5	Project management	Cancelled
6	Health and Safety	Partial

7	High Street Recovery/ Empty Properties	Cancelled
8	Recording and Inspection of Assets	Cancelled
9	Climate Change	Cancelled
10	Procurement Rules	Good
11	Data Breaches	Good
12	Business Support Grant Verification	NA – Verification work
13	Duplicate payments	NA – Monitoring work

6.0 Quality Assurance and Improvement (QAIP)

6.1 Under the PSIAS, the chief audit executive must develop a quality assurance and improvement programme (QUAIP). The objectives are to assess the efficiency and effectiveness of internal audit activity, identify opportunities for improvement and to evaluate whether or not the Standards are being met.

6.2 The QUAIP consists of:-

- Ongoing monitoring of the performance of internal audit
- Periodic self-assessments
- Maintenance of an internal audit manual
- An external assessment which must be undertaken every 5 years by a qualified independent assessor or assessment team from outside of the Authority. This was last completed during April 2014 with an overall conclusion that internal audit was substantially compliant with the PSIAS. An arrangement was agreed with Mazars (external auditors) for this assessment to be undertaken during 2019, the outcome of which shall be reported to this Committee accordingly.

6.3 Ongoing Monitoring

There are management and supervision arrangements within Audit Services in order to ensure that each audit assignment meets the required quality standards. These involve discussions between Audit Management and the individual Auditor concerned during the planning of the audit to ensure that the key risks are covered, during fieldwork and at draft and final report stages. The purpose is to ensure that the engagement, evidence and reporting requirements set out in the PSIAS are met, together with the Code of Ethics (Integrity, Objectivity, Confidentiality, Competency).

6.4 Following each applicable audit, Audit Services send out a post audit questionnaire (PAQ) to the relevant Client Manager for feedback on the quality of the audit from the client perspective and on whether any improvements could be made. The PAQ asks 9 questions and provides for responses ranging from “very satisfied” to “very dissatisfied”. In 2021/22 100% of responses received were either satisfied or very satisfied with the work of the internal audit team.

7.0 Audit Opinion

7.1 The Public Sector Internal Audit Standards (Performance Standard 2450) states that:

“The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.”

This must be based on an objective assessment of the framework of governance, risk management and control within the Council’s governance, operations and information systems.

7.2 **The overall opinion is that, based on the audit work undertaken during 2021/22, the council’s framework of governance, risk management and internal control is satisfactory and operating effectively in practice.**

8. Implications

8.1 Financial and Value for Money Implications

The contribution paid by Craven District Council towards the cost of the Shared Service for 2021/22 was £54,909.

8.2 Legal implications

This report is submitted to comply with the requirements of the Public Sector Internal Audit Standards.

8.3 Contribution to Council Priorities

Enterprising Craven – Facilitating economic growth across Craven.
Resilient Communities – Creating sustainable communities across Craven.
Financial Sustainability – ensuring a self-sustainable Council

8.4 Risk Management

The internal Audit function is an integral part of internal control. The major risks to the provision of the service to Craven include:-

- Insufficient resources and capacity – for example due to long-term sickness or vacant posts. If this situation arises it will be addressed by the Internal Audit Shared Service Partnership Board, reporting to the respective audit committees of the two Councils if necessary.
- The effect of LGR requirements is presenting officers with major resource issues which has a significant impact on audit completion and recommendation follow up work. This has been regularly reported to this Committee.

- The need for a major investigation which will mean that some planned work will have to be deferred or an increase in the days provided at an additional cost to Craven.

8.5 **Equality Impact Assessment**

The Council's Equality Impact Assessment Procedure has been followed. An Equality Impact Assessment has not been completed on the proposals as completion of Stage 1- Initial Screening of the Procedure identified that the proposed policy, strategy, procedure or function does not have the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

9. **Consultations with Others**

Chief Finance Officer and S151 Officer, Financial Services

10. **Access to Information : Background Documents**

None

11. **Author of the Report**

Alison Johnson, Audit Services and Fraud Manager, Craven District Council and Harrogate Borough Council Shared Internal Audit Service.

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions. (Telephone 01423 500600. Email Alison.Johnson@harrogate.gov.uk)

12. **Appendices**

Appendix 1 – Internal Audit Plan 2021/22

INTERNAL AUDIT PLAN 2021/22

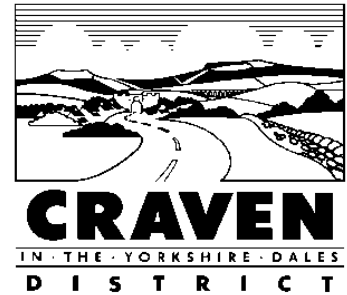
Audit Work	Planned Days	Actual Days	Assurance Level	Number of Recommendations
6 Month Review/Follow up work:				
Follow up of recommendations	20	11.5	N/A	N/A
2020/21 audits b/fwd.				
Risk Management	0	0	Partial	
Duplicate Payments	0	0	NA	
2021/22 Audits				
Housing Benefits	10	0	Deferred	
Payroll	10	13.4	Good	
Creditors	10	10.5	Good	
Debtors	10	10.3	Partial	
Project Management	12	0	Cancelled	
Health and Safety	10	13.3	Partial	
High Street Recovery/ Empty Properties	10	1	Cancelled	
Recording and Inspection of Assets	10	6	Cancelled	
Climate Change	10	0	Deferred	
Procurement Rules	8	6.9	Good	
Data Breaches	8	6.2	Good	
Business Support Grant Verification	10	10.3	NA	
Duplicate Payments	2	1	NA	

Contingency (CDC discretion) – Not paid for unless days are required	20	0	N/A	N/A
CDC Auditing Reporting / Committee Papers / Audit Reviews / Duplicate payments	20	21.4	N/A	N/A
Totals	180	111.8		

Audit and Governance Committee
24th October 2022

Draft Internal Audit Plan 2022/23

Report of the Audit Services and Fraud Manager
(Shared Internal Audit Services)



Lead Member for Financial Sustainability – Cllr Patrick Mulligan

Ward(s) affected: All

1. Purpose of Report

- 1.1 The purpose of this report is to present the proposed Internal Audit Plan for 2022/23 for consideration and approval.

2. Recommendations

- 2.1 That the Audit & Governance Committee considers and approves the Internal Audit Plan for 2022/23 as set out in this report and attached Appendix.

3. Supporting Information

- 3.1 The draft Audit Plan for 2022/23 is attached at Appendix A and sets out the areas, functions or activities at Craven which are to be reviewed together with an estimated number of days for each.

4. Report

- 4.1 Under the Public Sector Internal Audit Standards, the Chief Audit Executive must give an overall opinion on the adequacy and effectiveness of their authority's internal controls, risk management and governance arrangements. The 2022/23 Internal Audit Plan must therefore include a sufficient range of audit work for this opinion to be given at the year-end in the Annual Internal Audit Report.
- 4.2 The focus for this year's audit work will be based on risks identified during the LGR process, it's effect on the Authority, and the impact of staff resourcing issues. For this reason, it has been agreed that a reduced 6 monthly plan will be undertaken which focuses on the main financial systems, in order that we can form an audit opinion at the end of the year, and the external auditors can seek assurance from the testing undertaken. The Audit Service and Fraud Manager does not consider that the reduced plan of 6 months will affect the overall annual opinion for 2022/23 given the

extended work that has continued during the 3 month period from 1st April 2022 through to 30th June 2022.

- 4.3 The draft Internal Audit Plan for 2022/23 is attached at Appendix A. The number of days allocated to specifically provide the Audit Services Manager with the evidence for the opinion on the control environment is 180 with an additional 20 days available for any ad hoc, consultancy or unforeseen work. Payment will only be requested for the additional 20 days if the Chief Executive or s151 Officer agrees that they should be used. Attention should be brought to the reduced days (a 6 month plan), due to delays completing the 2021/22 audit work in the first quarter. These delays have been regularly reported to Management Board and Audit and Governance Committee and relate to staff shortages in service areas and work/commitments relating to the LGR process. The 6 month plan will therefore cover the period 1 July to 31 December to allow the final quarter, 1 January to 31 March for finalising and close down of audit reports, and follow up work of any outstanding recommendations prior to transfer to the new Authority.
- 4.4 The draft Internal Audit Plan has been developed in consultation with members of Craven District Council's Corporate Leadership Team (CLT) including the s151 Officer, and takes into account:
- Risks of the Authority
 - Corporate Priorities
 - Proposed audit areas identified by the Institute of Internal Auditors
 - The effect of LGR related work
- 4.5 Progress against the plan will be monitored throughout the year and key issues/findings will be reported to CLT and members of Audit & Governance Committee.

5. Financial and Value for Money Implications

- 5.1 The Council pays a daily fee to Harrogate Borough Council as its contribution towards the cost of the Shared Service which is hosted by Harrogate. This agreement will end on the 31st March 2023.

6. Legal Implications

None.

7. Contribution to Council Priorities

- 7.1 The delivery of an Internal Audit Service contributes to the Councils transformation.

8. Risk Management

8.1 The Internal Audit function is an integral part of internal control

8.2 The major risks to the provision of the service to Craven include:-

- Insufficient resources and capacity – for example due to long-term sickness, vacant posts arising and LGR priority work. If the situation arises, it will be addressed by the Internal Audit Shared Service Partnership Board, reporting to the respective Audit Committee of the two Councils if necessary.
- The need for a major investigation which will mean that some planned work will have to be deferred or an increase in the days provided at an additional cost to Craven.

8.3 Chief Finance Officer (s151 Officer) Statement

8.4 Monitoring Officer Statement

9. Equality Impact Analysis

9.1 The Council's Equality Impact Assessment Procedure has been followed. An Equality Impact Assessment has not been completed on the proposals as completion of Stage 1- Initial Screening of the Procedure identified that the proposed policy, strategy, procedure or function does not have the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

10. Consultations with Others

10.1 Corporate Leadership Team
Chief Finance Officer (s151 Officer)
Management

11. Background Documents

None

12. Appendices

Appendix A – Draft Annual Audit Report 2022/23

13. Author of the Report

Alison Johnson
Internal Audit Services and Fraud Manager (Shared Internal Audit Services)

Telephone: 01423 500600
E-mail: Alison.johnson@harrogate.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Appendix A

2022/23 DRAFT INTERNAL AUDIT PLAN

AUDIT	DAYS	COMMENTS
Housing Benefits	10	To give assurance on the adequacy and effectiveness of internal controls in place to ensure the integrity and operation of systems.
Accounts Payable	8.5	To give assurance on the adequacy and effectiveness of systems and internal controls, review the financial records for accuracy and identify any potential risk or fraud.
Accounts Receivable	8.5	To give assurance that all income due to the authority is properly identified, collected and accounted for under management control. Identification of risks, and any potential fraud.
Council Tax/NNDR	10	To ensure that systems and processes are providing a satisfactory level of assurance, recovery action is in place where appropriate, and any potential fraud is monitored.
Post Business Support Grant Verification	4	To give assurance that the business support grants (including discretionary payments) have been paid accurately, within an expected

AGENDA ITEM 7c

		timeframe, post payment assurance and recovery processes.
Contingency	2	General Contingency
Duplicate payments work	2	To identify any duplicate payments made quarterly and annually. To report back any findings to the finance section so they can make steps to recover monies.
Follow up of previous audit recommendations	15	New responsibility for monitoring and reporting to A&G of all recommendations to sit with Internal Audit.
Management time/Committee Meetings etc.	20	Includes preparation and monitoring of the Audit Plan, review of audit files, preparing reports plus attendance at meetings.
Quarter 1 (April 1 st – June 30 th)	50	Delays in completion of 21/22 audit work due to lack of responses, delays in obtaining information and staff resource issues due to LGR priority work.
Quarter 4 (January 1 st – March 31 st)	50	Close down of 22/23 audit plan and outstanding recommendations in preparation for the cessation of CDC and the merge of the new Authority.
TOTAL	180	

AUDIT	DAYS	COMMENTS
Contingency available (if required)	20	Made available within the Shared Audit Services Plan for CDC to use to cover any unexpected or ad hoc pieces of work. To be charged for separately.
TOTAL	20	



Audit Services Report
Payroll 2021/22
Report ref: C2/2021

Report

Draft: 04/07/22
Final: 08/09/22

Good Level of Assurance

Contents

Background	page 2
Scope	page 2
Audit Opinion	page 3
Detailed Findings & Action Plan	page 3 onwards

Distribution

Job Title
Chief Executive
Chief Finance Officer
HR & Payroll Manager
Payroll & Exchequer Officer

1 Background

- 1.1 This audit has been undertaken as part of the annual audit plan for 2021/22 and has sought to determine compliance with the following key control objective
KCO1 : Key Payroll processes and procedures are operating effectively
- 1.2 It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.
- We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.
- Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, misappropriation or other irregularities which may exist.
- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2 Audit Scope

- 2.1 The scope of the audit involved a review of the key control by undertaking compliance testing as well as documentation review and discussion with staff. Testing has concentrated on the following areas:
- New starters
 - Leavers
 - Deductions
 - Variations
 - Payments
 - Reconciliations
 - System access

3 Audit Opinion

3.1 A summary of Audit Services' opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 Based on this report's findings, Audit Services have given a Good Level of Assurance on the Internal Control Framework within the function in line with the Public Sector Internal Audit Standards.

3.3 With reference to the key control being reviewed, this is considered to be partly met; key risks for which are set out in the main body of the report. There are 4 recommendations that have been made in total, all at priority 2.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of Management, therefore KCO's with adequate controls are not included.

Recommendations are prioritised as follows:

Priority 1 - These relate to significant gaps in the Internal Control Framework

Priority 2 - These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 - These relate to minor issues of non-compliance with controls

Ref	Findings	Recommendations	Risk	Management Response	Officer Responsible and Implementation Date
KCO1 : Key Payroll processes and procedures are operating effectively					
1	The system was upgraded last year. However, although the logic nevertheless remains relevant, the Auditor was informed that current procedure notes have not yet been updated to reflect this upgrade	R1: Priority 2 Procedure notes should be updated to reflect the system's latest upgrade	Procedure notes are not sufficiently explanatory to enable another officer to use in the event of staff absence	No full formal management response received therefore recommendation noted as not agreed	HR & Payroll Manager / Payroll & Exchequer Officer 04/01/23
2	When tracing a sample of overtime payments paid on Trent in December 2021 to source documentation from November 2021 this found that:- a) one employee (ref 01658) had been paid at one spinal column point higher than that noted on the source documentation b) one employee (ref 01589) with 2 roles had been paid for all hours worked at the lower rated role	R2: Priority 2 Payroll should establish with HR and the service whether incorrect payments have been made to these employees and investigate the reasons why and how they occurred. If valid, figures should be re-calculated and any under/over payment promptly initiated with the employees.	Errors or inconsistencies in pay remain undetected	Agreed	HR & Payroll Manager / Payroll & Exchequer Officer 04/10/22
3	New starter checklists allow for the data input by one officer and the check by another to be noted. However, although there was no input error, audit sample testing found the check not to have been consistently noted	R3: Priority 2 New starter checklists should be consistently marked as checked following input	No evidence of secondary check whereby errors may go undetected	Agreed	HR & Payroll Manager / Payroll & Exchequer Officer 04/01/23
4	Following the pay award, the salary for officers on PO4, spinal column point 41, was expected to be £45,648. However, audit testing found this to be £36 higher at £45,684 when comparing to payslips. Testing also found that one employee (ref 01771) had not received the pay award	R4: Priority 2 Payroll should investigate whether incorrect payments have been made to these employees, determine how these occurred, rectify where necessary and promptly initiate any under/over payment	Errors or inconsistencies in pay remain undetected	Agreed	HR & Payroll Manager / Payroll & Exchequer Officer 04/10/22

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 extension 58586. Audit Services would like to thank the officers involved for their assistance during this audit.



**Audit Services Report
Procurement/ Contract Rules
Report ref: C8/2021**

Report Issued Draft: 26/08/2022
 Final: 27/09/2022

Good Level of Assurance

Contents

1	Background	3
2	Audit Scope	4
3	Audit Opinion	5
4	Detailed Findings & Action Plan	6

Distribution:

Chief Finance Officer

Finance Manager

1 Background

- 1.1 This audit is being undertaken as part of the audit plan for 2021/22. This audit forms the first stage in a new series of procurement audits designed to cover the breadth of subject.

Public procurement is the acquisition of goods, services and works by public authorities. Transactions of this nature are governed by UK and EU law. It is essential that procurement practices and procedures are current, well developed, adequately communicated and adhered to and ensure value for money is achieved.

In 2020 the procurement framework, which includes the Procurement Strategy, the Procurement Policy and Procedures and the Procurement Procedures and Practices were reviewed and updated. The council used specialist procurement consultants to assist in the review.

- 1.2 It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, errors, or other irregularities which may exist.

- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2 Audit Scope

2.1 Audit Objectives

The obtaining, examination and evaluation of information surrounding the function, in order to give an independent opinion on whether the internal control procedures identified are operating effectively.

Key Controls

- To ensure that there are adequate policies and procedures in place
- To ensure that procurement best practice is being followed

Scope of Audit work

Discussions with management and the review of strategies, policies and procedures and contract information regarding procurement relating to financial years 2021/22 and 2022/23

3 Audit Opinion

3.1 A summary of Internal Audit’s opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council’s corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council’s corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council’s corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

3.2 This audit has been awarded a Good Level of Assurance. Based on the testing carried out, Audit Services can confirm that 2 out of the 2 key control objectives were substantially met. Further details can be found in section 4 of this report.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of management, therefore KCO's with adequate controls based on the samples examined are not included.

Recommendations are prioritised as follows:

Priority 1 – These relate to significant gaps in the Internal Control Framework

Priority 2 – These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 – These relate to minor issues of non-compliance with controls

Ref	Findings	Recommendation	Risk	Management Response	Officer responsible and implementation date
To ensure that there are adequate policies and procedures in place					
1517	Point 7.1 In the Procurement Policy states the ratio for commodities or simple goods should be on price only, where specification is fixed and not variable.	Priority 3 The policy wording for commodities at 7.1 should be more permissive towards quality criteria weighting.	Policies and procedures fail to reflect best practice	Will not be implemented due to LGR Recommendation closed/ on hold until further review.	It will be the responsibility of the new authority to ensure procurement policies set appropriate VFM weightings

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 (ext) 58584. Audit Services would like to thank the officers involved for their assistance during this audit.