
AUDIT PROGRESS REPORT

1 SUMMARY

- 1.1 This report provides Members with an update on completed audit engagements, delivery of the audit plan and progress in implementing audit recommendations.

2 INTRODUCTION

- 2.1 Internal Audit is a statutory requirement under the Accounts and Audit Regulations.
- 2.2 Internal Audit's work is monitored through regular reports presented to this Committee.
- 2.3 The 2016/17 Internal Audit plan was agreed by the Audit Committee at its June 2016 meeting.

3 DELIVERY OF THE AUDIT PLAN

- 3.1 The opinion given and main points arising from completed audit engagements is summarised in appendix 1.
- 3.2 At the time of writing, 86% of work expected to be completed by this time has been completed. Completed in this context means audit testing has been completed and a draft report written, being the parts of the audit process Internal Audit can directly control and at which point level of assurance from the engagement is known.
- 3.3 Sufficient work is on track to be completed in time to enable the Chief Audit Executive to give their required annual opinion at the June 2017 Audit Committee meeting.
- 3.4 Not all audits are, or need to be, of equal size and the team's work profile is necessarily skewed toward the latter part of the year. The plan is skewed so that the audits of:-
- key financial systems and processes can take place toward the end of the year to provide the fullest insight into whether required controls have operated consistently and effectively throughout the year. The 2016/17 Internal Audit plan includes nine audits of key financial systems and processes. Assurance from these audits is a major influencer of the Chief Audit Executive's annual opinion and may also support the external auditors' work if they take a controls-based, rather than substantive, testing approach.
 - key governance arrangements (such as Performance Management, Risk Management and Service Assurance Statements) can take place toward the end of the year to again provide the fullest insight into the

effectiveness of these arrangements during the whole year and thereby effectively influence the Chief Audit Executive's annual opinion and the Annual Governance Statement

3.5 The internal audit plan includes a number of ongoing pieces of work. This includes the following headings and provides a brief update on progress and activity:-

- Supporting organisational change – support and advice has been given to colleagues as required during the year to date. A specific, more substantial piece of work looking at the Council's governance and oversight arrangements regarding the LATCo is current work in progress
- Counter fraud – an assessment of the current arrangements against the CIPFA good practice tool has been completed and a gap analysis reported to the Assistant Director, Democratic Services. The identified issues are being worked on and will require the input of Leadership Team colleagues and the incoming Chief Audit Executive.

This work will also consider the most effective focus on, and approach to, delivering proactive fraud exercises to staff during the remainder of the year.

The team has not received any referrals for investigation.

- Developing the approach to IT audit – A draft IT audit risk assessment has been produced and shared with the Assistant Director, Customer, Revenues and Benefits Services. This work is ongoing and has been re-scheduled toward the end of the year so it can take account of the nature of the new hosting and support service arrangements

3.6 The Principal Auditor has supported Human Resources in an Investigating Officer role regarding a staffing matter. This has taken approximately 12 days to date. As this matter is not yet concluded, there is the potential for an unknown number of further days.

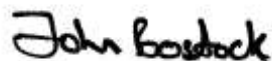
This work, by its nature, is unplanned. Due to the likely amount of time spent, one audit (regarding delivery of required Environmental Health inspections) has been deferred until 2017/18. This deferment been discussed and agreed with the Assistant Director, Community & Housing Services and will not affect the Chief Audit Executive's ability to provide an annual opinion for 2016/17. The number of days spent on this investigation will continue to be monitored by the Chief Audit Executive to assess whether any further amendments to the plan may be necessary.

4 MONITORING OF RECOMMENDATIONS

- 4.1 Recommendations arising from completed audit engagements are shown in appendix 2. This also details the current status of whether the recommendation is implemented or when it is due to be implemented.
- 4.2 All recommendations that have reached their implementation date were confirmed to be now implemented, with the exception of that relating to Cash & Banking (2015/16), as detailed in appendix 2.

5 RECOMMENDATION

- 5.1 It is proposed that the Committee **RESOLVES**
- (1) That the update on delivering the 2016/17 audit plan be noted.
 - (2) That the conclusions and results from completed audit engagements in appendix 1 be noted.
 - (3) That the updated status of audit recommendations in appendix 2 be noted.



John Bostock

Assistant Director, Democratic Services

Background Papers:-

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.

COMPLETED AUDITS – APPENDIX 1

Safeguarding – Report 3 - 2016/17

Audit objective

To assess whether the improvement actions arising from the 2014 Southend, Essex and Thurrock Safeguarding Board Children’s and Adult Safeguarding self-assessment audits have been monitored and effectively and consistently embedded in business as usual activity.

Corporate links

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:-

Business plan objective	Early Intervention – we will promote the safeguarding of our young and vulnerable residents
Corporate risk	<p>There is a failure to safeguard children and adults with care and support needs from abuse and / or neglect in line with a district council’s legal responsibilities.</p> <p>Inability to recruit, retain, develop and manage appropriately skilled staff to deliver the Council’s priorities.</p>

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council’s activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:-



Good	Adequate	Limited	None
	✓		
<p><i>Appropriate improvement action plans have been developed and managed on an ongoing basis to move the Council above its own target of 90% compliance with the Safeguarding Boards’ 2014/15 self-assessment audits. There are still areas to address; these areas are captured in action plans arising from the self-assessments and these are progressing and being</i></p>			

managed satisfactorily.

The new safeguarding policy, supported by a range of policies and procedures, including those in respect of safer recruitment, appears generally fit for purpose.

The most significant action needed is to formally nominate responsibility for checking job applicants' identity before appointment.

Our opinion is expressed as a level of assurance as set out in the table below. We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:-

Risk area	Assurance Level	No. of Recommendations
The safeguarding audit action plan is not being effectively implemented and monitored to ensure the Council scores at least 90% compliance with the next Essex Safeguarding Board self-assessment audit.	Good	None
Employment of an unsuitable candidate for a relevant role	Limited	1 Significant 3 Moderate
Staff are not adequately trained to identify and report relevant safeguarding concerns in respect of vulnerable persons	Adequate	1 Moderate
Policies and procedures are not up to date leading to misinterpretation of legislation and failure in safeguarding duties	Adequate	1 Moderate
Contractors, partners and other organisations or individuals working with or on behalf of the Council do not have appropriate safeguarding policies, procedures or working practices in place which could have reputational impact on the Council in the event of avoidable events occurring	Adequate	1 Low

Please note, the overall opinion whilst based on the above table takes account of auditor judgment of the relative importance of the risk area and significance of any weaknesses identified.

Debtors – Report 6 – 2016/17

Audit objective

To assess whether the key controls in the financial systems used and processes followed by resources are adequately designed and effectively applied.

Corporate links

This audit contributes to the assurance available in regard to the following business plan objectives and risks identified on the corporate risk register:-

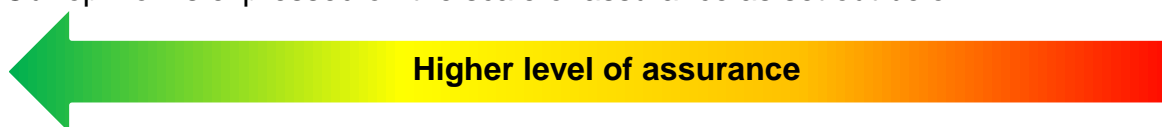
Business plan objective	Maximise our assets Become financially self sufficient
Corporate risk	Failure to ensure good governance of the Council’s activities and delivery of its priorities Data is lost, disclosed or misused to the detriment of individuals or organisations

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council’s activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:-



Good	Adequate	Limited	None
✓			
<p><i>The corporate debt policy is out of date, not in line with good practice and not supported by formalised operational debt recovery processes that consistently apply the policy. As such there is reduced assurance that recovery actions taken are consistent and effective and therefore maximise income.</i></p> <p><i>Management information on the overall debt position, performance in collecting income within terms and recovery activity also needs significant improvement. Management should receive regular reports which provide clear updates on the total debt figure and assurance of the effectiveness and appropriateness of recovery actions.</i></p> <p><i>The day to day processes to raise invoices needs to be more efficient and include additional controls to more clearly provide assurance that all invoices are raised and are raised in a timely manner.</i></p>			

Our opinion is expressed as a level of assurance as set out in the table below.

We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:-

Risk area	Assurance Level	No. of Recommendations
All invoice requests are not promptly or correctly raised for all chargeable activity	Limited	1 Significant 1 Moderate 1 Low
Debts are not pursued or pursued inconsistently or ineffectively	Limited	4 Significant
VAT is not raised or raised incorrectly	Adequate	1 Moderate
Debts are written off inappropriately or credit notes applied inappropriately to reduce debts owed	Adequate	2 Moderate
Debtor accounts are inappropriately amended to reduce debts owed	Good	None

Please note, the overall opinion whilst based on the above table takes account of auditor judgment of the relative importance of the risk area and significance of any weaknesses identified.

Creditors – Report 7 – 2016/17

Audit objective

To assess whether the key controls in the financial systems and processes to make creditor payments are adequately designed and effectively applied.

Corporate links

This audit contributes to the assurance available in regard to the following business plan objectives and risks identified on the corporate risk register:-

Business plan objective	Maximise our assets. Become financially self-sufficient
Corporate risk	Failure to ensure good governance of the Council’s activities and delivery of its priorities Data is lost, disclosed or misused to the detriment of individuals or organisations

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council’s activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:-



Good	Adequate	Limited	None
✓			
<p><i>The creditors process has sufficient and consistently applied controls to ensure that payments are made accurately, on time and authorised appropriately.</i></p> <p><i>The main areas for further improvement are to:-</i></p> <ul style="list-style-type: none"> • <i>more proactively enforce a “no purchase order, no payment” approach, which increases assurance purchases are value for money and affordable</i> • <i>more promptly confirm changes to suppliers’ bank account have been correctly verified, i.e. before payment is made to the new account, given the potential financial impact of a single fraudulently diverted payment</i> 			

We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:-

Risk area	Assurance Level	No. of Recommendations
Suppliers' bank account details are inappropriately amended which could fraudulently divert legitimate payments to another account	Adequate	1 Moderate
Goods and services are received without an approved order	Limited	1 Moderate
Payments are made for goods or services that have not been received	Good	None
Payments are made without sufficient authorisation	Good	None
VAT is paid or not paid incorrectly	Adequate	1 Moderate
BACS payment files are fraudulently amended to create additional payments or divert payments	Good	None
The relevant finance system is inappropriately accessed leading to error, fraud or loss or misuse of data	Good	None

Please note, the overall opinion whilst based on the above table takes account of auditor judgment of the relative importance of the risk area and significance of any weaknesses identified.

Council Tax – Report 8-2016/17

Audit objective

To assess whether the key controls in the financial systems and processes used by Revenues and Benefits are adequately designed and effectively applied

Corporate links

This audit contributes to the assurance available in regard to the following business plan objectives and risks identified on the corporate risk register:-

Business plan objective	Maximise Assets
Corporate risk	<p>Failure to ensure good governance of the Council's activities and delivery of its priorities</p> <p>Council held data is lost, destroyed, disclosed or misused to detriment of individuals or organisations</p>

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council's activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:-



Good	Adequate	Limited	None
✓			
<p><i>The Council Tax function is well managed as its management controls are appropriately designed and consistently applied to manage risks to a satisfactory level.</i></p> <p><i>Recommendations are made to further improve the already satisfactory controls and procedures and have been positively accepted by the service.</i></p> <p><i>The most significant improvement needed is to ensure that all staff regularly declare potential conflicts of interests and where possible the Council Tax system is restricted to take account of declarations. This recommendation applies across Revenues and Benefits. It should be stressed that the audit work did not identify any indications of inappropriate actions taken by staff due to conflicts of interest.</i></p>			

We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:-

Risk area	Assurance Level	No. of Recommendations
The Council Tax system parameters (e.g. regarding bandings, discount / exemption values etc.) are inaccurate leading to incorrect bills being sent	Good	None
The residential property database is incomplete or inaccurate leading to bills not being sent or inaccurate bills	Good	None
Bills sent out are incomplete, inaccurate (i.e. there are errors in printing) or are sent late	Good	None
Discounts (including Council Tax support), exemptions or reliefs are given incorrectly or inappropriately leading to fraud, error and loss of income	Limited	1 Moderate - implemented during course of audit work
Write-off of debts not approved in line with Financial Regulations	Adequate	1 Moderate
Invalid refunds are made	Adequate	1 Low
The system is inappropriately accessed leading to error, fraud, or loss or misuse of data	Good	None
Staff are not asked to declare relevant interests regarding residents and businesses and or declarations are not acted upon appropriately leading to an inability to counter perceptions of favouritism	None	1 Moderate

Please note, the overall opinion whilst based on the above table takes account of auditor judgment of the relative importance of the risk area and significance of any weaknesses identified.

Business Rates – Report 9-2016/17

Audit objective

To assess whether the key controls in the financial systems and processes used by Revenues and Benefits are adequately designed and effectively applied.

Corporate links

This audit contributes to the assurance available in regard to the following business plan objectives and risks identified on the corporate risk register:-

Business plan objective	Maximise our assets
Corporate risk	<p>Failure to ensure good governance of the Council’s activities and delivery of its priorities</p> <p>Council held data is lost, destroyed, disclosed or misused to detriment of individuals or organisations</p>

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council’s activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:-



Good	Adequate	Limited	None
✓			
<p><i>The Business Rates team has had limited staff resources during 2016/17. Whilst day to day administrative and annual billing tasks have been completed generally satisfactorily, resources have not allowed a number of more proactive tasks to be fully completed. These proactive tasks are needed to ensure business rates income is maximised.</i></p> <p><i>These proactive tasks include:</i></p> <ul style="list-style-type: none"> • <i>completing the review of the Valuation Office’s revaluations that come into force from 01 April 2017 to identify and challenge whether reduced rateable values (which therefore reduces potential income) realistically reflects local economic conditions</i> • <i>reviewing whether small business rate relief is being correctly applied to charge payers who own multiple business properties</i> 			

- ***sending bills to the previously unbilled properties which the team identified during the year***
In common with the Council Tax audit, staff should regularly declare potential conflicts of interests and the Business Rates systems restricted to take account of such declarations.

Our opinion is expressed as a level of assurance as set out in the table below.

We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:-

Risk area	Assurance Level	No. of Recommendations
The business rates system’s parameters (e.g. poundage rates, discount / exemption values etc.) are inaccurate leading to incorrect bills being sent	Good	None
The business property database is incomplete or inaccurate leading to bills not being sent or inaccurate bills	Limited	2 Significant 1 Moderate 2 Low
Bills sent out are incomplete, inaccurate (i.e. there are errors in printing) or are sent late	Good	None
Discounts, exemptions or reliefs are given incorrectly or inappropriately leading to fraud, error and loss of income	Limited	1 Significant
Significant amounts of income due is not collected	Adequate	1 Moderate
Invalid refunds are made	Good	None
The system is inappropriately accessed leading to error, fraud, or loss or misuse of data	Good	None
Staff are not asked to declare relevant interests regarding residents and businesses and or declarations are not acted upon appropriately leading to an inability to counter perceptions of favouritism	None	Recommendation raised in Council Tax report applies

Please note, the overall opinion whilst based on the above table takes account of auditor judgment of the relative importance of the risk area and significance of any weaknesses identified.

Compliance with Contract Procedure Rules – Report 10-2016/17

Audit objective

To assess whether the requirements of contract procedure rules (CPR) are complied with for a sample of purchased good and services.

Corporate links

This audit contributes to the assurance available in regard to the following business plan objectives and risks identified on the corporate risk register:-

Business plan objective Become financially self-sufficient

Corporate risk The Council could fail to provide consistent value for money (VFM) across all services or obtain VFM in its procurement

Failure to ensure good governance of the Council’s activities and delivery of its priorities.

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all of the Council’s activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:-



Good	Adequate	Limited	None
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✓

Tendered procurements reviewed generally followed the required CPR process satisfactorily. However, half of tested procurements below the tender threshold were not supported by sufficient evidence to demonstrate compliance with CPR.

A number of important improvements to controls are needed to both prevent and detect non-compliance with CPR and therefore increase assurance that procurement achieves, and can demonstrate, VFM.

In particular, the use of the new e-procurement system’s reporting tools need to be maximised to provide better management information to identify:-

- *potentially disaggregated spend which could mean the required competitive process is not followed*
- *non-use of corporate contracts which could mean VFM is not achieved*
- *invoices without prior approved orders which could mean CPR is not being complied with and reduced VFM.*

The procurement of accommodation for the homeless which is a high-spend area but also one where there is some unwillingness from suppliers to engage in formal contractual arrangements needs to be reviewed. This review needs to ensure that previous contractual arrangements remain practical and used given the market’s current capacity and willingness to be part of contracts or new CPR compliant arrangements put in place.

We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:-

Risk area	Assurance Level	No. of Recommendations
Procurements are made without following the competitive process required by Contract Procedure Rules	Limited	2 Significant 5 Moderate
Spend is disaggregated to avoid a more rigorous competitive exercise or reduce value for money achieved (where disaggregation is spend that is made piecemeal rather than as part of an ongoing overall contract)	Limited	1 Significant
Corporate contracts and frameworks are not used potentially reducing value for money achieved	Limited	

Please note, the overall opinion whilst based on the above table takes account of auditor judgment of the relative importance of the risk area and significance of any weaknesses identified.

PROGRESS OF AUDIT RECOMMENDATIONS

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
11 2015/16	Cash & Banking	2	L	Feeder system settings will be reviewed and updated as much as possible to ensure the correct VAT default setting is applied to the relevant finance code <i>This recommendation was retained as "live" item per Audit Committee September 2016.</i>	The Update will not be proceeding at the current time A recommendation will be raised in the 2016/17 Cash & Banking Audit to introduce a check to monitor the VAT issue that originally arose Not Implemented DELETE
3 2016/17	Safeguarding	1	M	A full review of the recruitment policy will be undertaken, together with the range of supporting procedures documentation	Agreed Implementation Date 30/4/2017
3 2016/17	Safeguarding	2	M	The documentation review will include the identification of the relevant officer with responsibility for undertaking additional identification checks or UK eligibility to work checks if required	Agreed Implementation Date 30/4/2017
3 2016/17	Safeguarding	3	S	Procedures will be introduced to obtain formal evidence of a current DBS check in cases when a relevant post is filled via an employment agency	Agreed Implementation Date 31/3/2017
3 2016/17	Safeguarding	4	M	A review of roles will be carried out to ensure that those requiring a DBS check are up to date in those checks and roles that do not require one do not have checks made	Agreed Implementation Date 31/3/2017

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
3 2016/17	Safeguarding	5	M	General awareness training for staff, other than those requiring a role related higher level of training, will be rolled out and monitored for completion	Agreed Implementation Date 31/3/2017
3 2016/17	Safeguarding	6	M	All policies and procedures that support safeguarding will be reviewed to ensure that versions on the website and intranet are up to date	Agreed Implementation Date 30/6/2017
3 2016/17	Safeguarding	7	L	Work to progress an approach for dealing with safeguarding with contractors, partners and others working with or on behalf of the Council will be managed in accordance with the safeguarding action plan	Agreed Implementation Date 30/6/2017
4 2016/17	Contract Management - MRF	1	S	The Responsible Officer undertakes a full review of the May 2016 price increase, raising any queries with the contractor to confirm the tonnage rate charged is correct. All future price changes should be signed off by the Responsible Officer as soon as is practicable to prevent any potential over/under charging.	Agreed Implementation Date 1/12/2016. Meeting set with contractor 5/1/17. Implementation date revised to 31/1/2017. Implemented. DELETE
4 2016/17	Contract Management - MRF	2	M	Risk-assess the contract specification to identify the most important requirements that need active and evidenced contract management activity. Use this risk assessment to direct and record contract management activity.	Revised Implementation Date 24/3/2017 Risk Assessment Underway but not complete
4 2016/17	Contract Management - MRF	3	M	Business continuity arrangements will be confirmed with the contractor and Rochford's business continuity plan will be updated to include contractor failure in relation to the MRF contract.	Agreed Implementation Date 31/1/2017 Implemented DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
4 2016/17	Contract Management - MRF	4	M	Seek to obtain financial information of the contractor that we are entitled to and can reasonably obtain in order to monitor its financial standing.	Agreed Implementation Date 1/12/2016 Process et up with Finance - Implemented DELETE
4 2016/17	Contract Management - MRF	5	M	See also recommendation 2. As part of the current corporate work stream to embed a culture of cross-team working, discussions were undertaken with the Procurement team to identify opportunities where contract management tasks could be completed as part of procurement processes. Opportunities could be around the regular request and receipt of insurance policies, business continuity plans, and information on financial standing. It was determined that this did not best fit within this team due to potential specialist requirements and resourcing implications. Environmental Services should therefore consider other options to meet this requirement. This could be either completed by the contract manager themselves or meeting with other contract managers from other councils party to this contract and sharing roles to check these requirements and then sharing the outcome and therefore assurance.	Agreed Implementation Date 31/3/2017
5 2016/17	Budget Monitoring	1	L	Procedures will be introduced to ensure timely de-commitment of orders in the relevant log	Agreed Implementation Date 30/11/2016 Implemented DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
5 2016/17	Budget Monitoring	2	L	Budget holders will be requested to periodically review commitments and income data in addition to the monthly reports to enhance their budget monitoring	Agreed Implementation Date 30/11/2016 Implemented DELETE
5 2016/17	Budget Monitoring	3	M	Procedures will be updated to ensure budget holders acknowledge receipt of monthly budget information, provide commentary for any variances identified and actions that need to be taken to address matters identified	Agreed Implementation Date 30/11/2016 Implemented DELETE
5 2016/17	Budget Monitoring	4	M	Monthly and quarterly budget statements will be reviewed to include monthly profiling and variance against year-to-date as well as year-end position	Agreed Implementation Date 30/11/2016 Implemented DELETE
5 2016/17	Budget Monitoring	5	L	Procedures will be updated to ensure that approvals for virements are more visibly recorded	Agreed Implementation Date 30/11/2016 Implemented DELETE
5 2016/17	Budget Monitoring	6	M	Additional access security will be added to spreadsheets used by Accountancy to populate monthly reporting data	Agreed Implementation Date 30/11/2016 Implemented DELETE
6 2016/17	Debtors	1	S	Revised procedures will be introduced for identifying, actioning and recording of “create invoice” requests	Agreed Implementation Date 31/7/2017

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
6 2016/17	Debtors	2	M	The invoice request form will be amended to include the date of submission and originating service area details. Invoice request forms will be saved electronically for audit trail purposes, to minimise paper usage and for data security.	Agreed Implementation Date 28/2/2017
6 2016/17	Debtors	3	L	Periodically due income will be recorded on a master spreadsheet broken down by tabs relating to the month the income is due to be invoiced. Core data can either be recorded on the spreadsheet or a hyperlink to a master Invoice Request form stored for information uplift as required. The spreadsheet will then be updated with the invoice date and number to maintain an audit trail, minimise paper usage and save officer time	Agreed Implementation Date 31/7/2017
6 2016/17	Debtors	4	M	A basic VAT guide will be created for use by departments when claiming income due to the Council; however responsibility will lie with the Payments & Income team to classify VAT correctly on all raised invoices	Agreed Implementation Date 31/7/2017
6 2016/17	Debtors	5	S	The corporate debt policy will be re-written to clarify ownership, scope, usage (including escalation processes), procedure and legal requirements dependant on the nature of the debt. It should be in-line with the Council's Constitution and the scheme of financial delegation, along with the Local Government Ombudsman and be available for use by	Agreed Implementation Date 31/7/2017

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
				internal staff to ensure adherence to all debt recovery matters.	
6 2016/17	Debtors	6	S	Formal operational debt recovery procedures for staff use will be documented which will translate the corporate debt policy into required actions so staff consistently and effectively recover income.	Agreed Implementation Date 31/7/2017
6 2016/17	Debtors	7	S	Reports will be provided that calculate and state the level of debts that are paid within payment terms	Agreed Implementation Date 31/7/2017
6 2016/17	Debtors	8	S	A clear aged debtor report will be sent to management on a monthly basis to give a breakdown of debt outstanding by age and value. The aged debtor report should be supported by summary detail of activity taken in the last month to recover debt.	Agreed Implementation Date 31/7/2017
6 2016/17	Debtors	9	M	The write off report submitted for the Section 151 Officer's approval should be in a format that prevents any amendments post-authorisation. For instance through the use of a PDF instead of a Word / Excel document. The trail of the authorisation should also be saved in a manner which maintains the full audit trail of the write offs submitted and their authorisation and prevents any amendments.	Agreed Implementation Date 28/2/2017

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
6 2016/17	Debtors	10	M	Independent Officer checks will be carried out in a timely manner to ensure no inappropriate account adjustments or write offs in relation to debtor processes	Agreed Implementation Date 28/2/2017
7 2016/17	Creditors	1	M	The procedure for checking bank account change details will be enhanced to make it more timely	Agreed Immediate Implementation DELETE
7 2016/17	Creditors	2	M	Procedures will be developed to provide information to senior management on cases where orders are placed without proper authorisation and how matters will be dealt with	Agreed Implementation Date 28 February 2017
7 2016/17	Creditors	3	M	Holders of Council credit cards will be reminded of the requirement to obtain a VAT receipt to enable the Council to minimise expenditure	Agreed Implementation Date 28 February 2017
8 2016/17	Council Tax	1	M	Procedures for monitoring the status of empty properties for council tax exemptions should be reviewed to identify changes in a timely manner	Immediate Implementation DELETE
8 2016/17	Council Tax	2	M	Procedures will be reviewed to ensure that the reporting of balances written off complies with financial regulations	Agreed Implementation Date 31/1/2017 Implemented DELETE
8 2016/17	Council Tax	3	L	The documentation used for approving Council Tax refunds will be accurately maintained to support the underlying procedures	Agreed Implementation Date 31/1/2017 Implemented DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
8 2016/17	Council Tax	4	M	Staff within Revenues & Benefits will be required to sign a declaration that they will not undertake any work on accounts where they may have a personal interest or a potential conflict of interest, without prior approval to do so by a member of management. This applies to processing of business rates and housing benefit also	Agreed Implementation Date 31/3/2017
9 2016/17	Business Rates	1	S	A review of significant changes in the 2017 valuation list, compared to the 2010 list will be carried out to enable clarification about current valuations	Agreed Implementation Date 31/3/2017
9 2016/17	Business Rates	2	S	All chargeable properties identified in 2016/17 but not processed at the time of audit testing will be set up on the VOA database to enable billing	Agreed Implementation Date 31/3/2017
9 2016/17	Business Rates	3	M	New builds or alterations advised by Building Control will be reviewed in a timely manner to ensure accurate billing	Agreed Implementation Date 31/3/2017
9 2016/17	Business Rates	4	L	Reconciliations of Academy system to the VOA database will be undertaken in line with the weekly listings provided by the VOA	Immediate Implementation DELETE
9 2016/17	Business Rates	5	S	A full review of small business rate relief will be carried out for charge payers with multi-property ownership to ensure accurate processing	Agreed Implementation Date 31/3/2017
9 2016/17	Business Rates	6	M	Procedures will be reviewed to ensure that the reporting of balances written off complies with Financial Regulations	Agreed Implementation Date 31/1/2017 Implemented DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
10 2016/17	Compliance with Contract Procedure Rules	1	S	Submit a request for an exemption for the procurement of emergency accommodation for the homeless based on rule 3.4. Arrangements to provide ongoing, non-emergency accommodation needs to awarded through an appropriate procurement procedure in line with CPR given total contract value.	Agreed Implementation Date 30/6/2017
10 2016/17	Compliance with Contract Procedure Rules	2	S	The Assistant Director, Commercial Services will require the Procurement Team to report to them and the Section 151 officer and/or Leadership Team the numbers and trends of rejected orders (e.g. common reasons, hotspots of non-compliant services) to effectively target remedial action.	Agreed Implementation Date 30/9/17 Target of 31/3/2017 to provide a means of reporting as an interim measure due to reliance on IT Project completion for the Report Writer tool.
10 2016/17	Compliance with Contract Procedure Rules	3	M	Produce reports from FocalPoint of the volume and value of invoices received without prior approved orders. Report to Leadership Team and Assistant Directors on 'hotspots' of non-compliance so that appropriate action can be taken to improve compliance.	Agreed Implementation Date 30/9/2017
10 2016/17	Compliance with Contract Procedure Rules	4	M	The tender record book will be used in all paper-based tender exercises – recording the number of issued tenders at the time of posting and receipt of all individual tenders on an as-received basis. The page will also be "closed" once the deadline has passed. The administration for contract management will be reviewed and implemented by the Procurement Team	Agreed Implementation Date 30/9/2016 for the Tender Book Implemented DELETE Agreed Implementation Date 30/4/2017 for the administrative function

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
				and formal procedure notes will be written and maintained. This will include the maintenance and storage of files.	
10 2016/17	Compliance with Contract Procedure Rules	5	M	A clear audit trail of changes made to scores needs to be maintained and relevant evidence retained. The final version of scores used to calculate the winning bids and their rankings should be circulated to all officers involved in the process and confirmation sought that the numbers entered are accurate.	Agreed Implementation Date 31/3/2017
10 2016/17	Compliance with Contract Procedure Rules	6	M	An appropriate procedure will be implemented to report all authorised exemptions to the Procurement team as they are approved by the relevant Assistant Director.	Agreed Implementation Date 31/3/2017
10 2016/17	Compliance with Contract Procedure Rules	7	M	As part of the next review of CPR, review the following to ensure exemptions are used in an appropriate manner but also supports the delivery of business objectives: <ul style="list-style-type: none"> • threshold for exemptions • criteria for exemptions provides sufficient clarity on the principles of when exemptions are appropriate 	Agreed Implementation Date 30/9/2017
10 2016/17	Compliance with Contract Procedure Rules	8	S	The Procurement Team will create the relevant reports within FocalPoint to identify potential cases of: <ul style="list-style-type: none"> • disaggregated spend to avoid a more rigorous competitive exercise • non-use of corporate contracts or framework agreements • invoices received without appropriate prior approved 	Agreed Implementation Date 30/9/2017 Target of 31/3/2017 to provide a means of reporting as an interim measure due to reliance on IT Project completion for the

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
				<p>orders In addition, consider updating contract procedure rules to outline how and roles and responsibilities to manage this risk.</p>	<p>Report Writer tool.</p>

RECOMMENDATION CATEGORIES		
C	CRITICAL	<p>The identified control weakness could lead to a critical impact on the activity's ability to manage the risks to achieving its key objectives. The control weakness means the associated risk highly likely to occur or have occurred.</p> <p>There are no compensating controls to possibly mitigate the level of risk.</p>
S	SIGNIFICANT	<p>The identified control weakness could have a significant impact on the activity's ability to manage the risks to achieve its key objectives. The control weakness means the associated risk is likely to occur or have occurred.</p> <p>There are few effective compensating controls. Where there are compensating controls, these are more likely to be detective (after the event) controls which may be insufficient to manage the impact.</p> <p>The difference between 'critical' and 'significant' is a lower impact and or lower probability of occurrence and or that there are some compensating controls in place.</p>
M	MODERATE	<p>The identified control weakness could have a moderate impact on the activity's ability to manage the risk to achieving its key objectives. The control weakness does not undermine the activity's overall ability to manage the associated risk (as there may be compensating controls) but could reduce the quality or effectiveness of some processes and or outcomes.</p>
L	LOW	<p>The identified control weakness is not significant and recommendations are made in general to improve current arrangements.</p> <p>Note – these recommendations will not be followed up.</p>