

Audits

Audit: Bulky Waste 2022/2023

Introduction: This audit is completed as part of the 2022/2023 audit plan. The council introduced a new Bulky Waste service in April 2021 and is contracted to Orchard Recycling Service Limited. The council has retained the administration and payment functionality whilst Orchard is responsible for the collection aspect of the service. As part of the new service, customers are now able to make bookings online with around 50% of bookings being made this way. It is a chargeable service for customers and for 2022/23 is £22.50 for the first item and £11.25 for each additional item. If a customer is in receipt of housing benefit or council tax reduction, there is a 50% reduction on charges. There is a recycling element to the service whereas previously all items were taken to landfill. The budgeted income for 2022/23 is £52518. Orchard charges as per the contracted agreement a collection fee of £14.00 per collection of 1-3 items, and £4.00 for each item thereafter, up to 3 additional items. The contract is due for review in November 2022.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>LPC1: Retention of data does not adhere to the Council's retention schedule. Potential financial penalty and reputational impact if data is breached.</p>	<p>Reasonable</p>	<p>Data relating to bulky waste collections is held within the council's digital platform, Liberty Create. This has the functionality to set parameters enabling the automatic deletion of data after a specified period of time.</p> <p>In line with the council's corporate retention schedule, data relating to bulky waste collections should be held for 3 years from the date the record was created. A review of Liberty Create confirmed that bulky waste records are held from March 2021 onwards, and therefore in accordance with the retention schedule.</p> <p>It is noted that the retention parameters are yet to be set within the bulky waste system - verbal assurance was obtained during the audit that these would be in place within the next two years as part of the ongoing development of the platform.</p> <p>Bulky waste collections are carried out by a contractor, Orchard Recycling Service Ltd, and therefore data is shared with them e.g., customer name, address and contact details; for the purposes of enabling collections to take place. This is accessed via a council-owned iPad and back-office system.</p>	<p>Recommendation 1</p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> Parameters should be set within the Liberty Create system to ensure that data is 'hidden' on the back-office system and iPads within an appropriate timeframe once Orchard mark a collection as completed.</p> <p><u>Implementation date:</u> January 2023</p> <p><u>Responsible Officer:</u> Lead Digital Officer</p>

		<p>In line with the contract and data processing agreement in place with Orchard, they should only have access to this data for the duration of the booking and collection process and not beyond. Audit testing established that data is currently visible to Orchard beyond the collection date and therefore it is recommended that parameters are set within the system to ensure that data is 'hidden' within an appropriate timeframe. [R1].</p>	
<p>O1: Key deliverables of the contract are not achieved, leading to non-compliance of contract conditions, possible service failure, customer complaints and reputational impact.</p>	<p>Reasonable</p>	<p>The Council's contract with Orchard includes a number of key terms and conditions. These were reviewed during the audit as follows:</p> <p><u>Governance and Records</u></p> <p>The contract stipulates that progress meetings should be held at an agreed frequency. Discussions during the audit established that the introduction of the new bulky waste service has been a success for the council, with positive feedback received and successful outcomes reported to both Transform Working Group and the Overview and Scrutiny Committee. There is ongoing dialogue with Orchard regarding service delivery, which at present is informal and ad-hoc. It is recommended that consideration be given to more formalised meetings, to demonstrate that regular contract monitoring takes place [R2].</p> <p>A further requirement of the contract is for Orchard to submit progress reports to the Council. Audit testing confirmed that Orchard present statistics on the tonnage of items collected on a monthly basis. The Council subsequently reports this information to DEFRA.</p> <p><u>Key Performance Indicators (KPI's)</u></p> <p>The contract includes one KPI- 'percentage of items recycled: up to 70%'. The approach taken by Orchard is to reduce/ reuse where possible and to assess each item to determine where these can be recycled before being taken to landfill. This supports the Council's Environmental Policy and its commitment to minimising waste and the impact of its disposal. This is also an improved position from the previous contract, where no recycling/reuse took place.</p>	<p>Recommendation 2</p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> Progress reviews with Orchard should be formalised to demonstrate regular contract monitoring.</p> <p>Discussions should include:</p> <ol style="list-style-type: none"> 1. A review of Key Performance Indicators <ul style="list-style-type: none"> - Merit in introducing new KPI's 2. Total number of items recycled to be included on the monthly statistics submitted by Orchard <ul style="list-style-type: none"> - Where possible to include verification of the items 'end destinations' 3. Verification of the vetting and safeguarding arrangements in place <p><u>Implementation date:</u> April 2023</p> <p><u>Responsible Officer:</u> Waste Contract Manager</p>

		<p>It is unclear from the information provided by Orchard as to what the current recycling rate is. For ease of reporting and monitoring, it is recommended that the number of items recycled is included as a total on the monthly statistics, and where possible, to include verification of the items 'end destinations' [R2].</p> <p>Given that the contract has now been in place in excess of 12 months, it would be an opportune time for the KPI's to be reviewed, and if there is merit for any new KPI's to be introduced where appropriate e.g., customer waiting time for collection. It is recommended that these discussions take place with Orchard [R2].</p> <p><u>Insurance</u></p> <p>Audit testing confirmed that appropriate public and employer liability insurances are in place as required by the contract.</p> <p><u>Safeguarding children and vulnerable adults</u></p> <p>Although likely to be limited, there are occasions when Orchard employees may come into contact with vulnerable members of the public whilst carrying out their duties. The contract makes provisions for this in terms of ensuring appropriate safeguarding arrangements are in place. The implementation of these vetting and safeguarding arrangements are currently not verified with Orchard, and it is therefore recommended that this forms part of the ongoing contract monitoring [R2].</p>	
<p>EF1: Bulky waste charges are not approved in accordance with council policy.</p>	<p>Substantial</p>	<p>The current charge to customers for a bulky waste collection is £22.50 for the first item and £11.25 thereafter for each item, up to a maximum of 6. These fees are reduced by 50% if the customer is in receipt of benefits. It was confirmed during the audit that these charges were appropriately approved within the 2022/23 budget setting process.</p>	<p>None.</p>

<p>EF2: Risk that the approved charges have not been correctly applied.</p>	<p>Reasonable</p>	<p>A sample of 20 bulky waste transactions were tested during the audit. In 19 of these cases, the approved charges were found to have been applied correctly. The one exception related to a customer having been undercharged by £11.25. This was found to relate to a bug in the system which marked all items as 'additional' and therefore charged them at the reduced rate of £11.25.</p> <p>Further investigation established this issue did not affect all bookings, only 10 instances where this had occurred since 1 April 2022. A fix to resolve this problem was identified during the audit whereby the system can be reconfigured; it is therefore recommended that this is implemented as soon as possible [R3].</p> <p>Where a customer is in receipt of benefits and therefore entitled to the 50% reduction in charge, this can only be obtained by telephoning Customer Services who are able to enter a benefit reference number into the booking process which then applies the discount. Audit testing identified that for a couple of bookings the claim number did not relate to a current claim at the time of the booking. It is recommended that tighter verification is adopted within Customer Services. [R4].</p> <p>The forecasted income for the bulky waste service for 2022/23 is £52,518. As at September 2022, this has already been exceeded, with a total income to date of £52,532. Assurance was obtained during the audit that the total income received on the general ledger reconciles to the bookings recorded on the Liberty Create system.</p>	<p>Recommendation 3</p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> The base cost for bulky waste items should be reconfigured within Liberty Create to ensure that charges are being applied correctly in all cases.</p> <p><u>Implementation date:</u> December 2022</p> <p><u>Responsible Officer:</u> Lead Digital Officer</p> <p>Recommendation 4</p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> Tighter verification is adopted within Customer Services in relation to checking current benefit claims.</p> <p><u>Implementation date:</u> November 2022</p> <p><u>Responsible Officer:</u> Corporate Services Manager</p>
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<p>EF3: Risk of a refund issued for an incorrect amount and/or not authorised and approved by appropriate officer</p>	<p>Reasonable</p>	<p>For the period April 2022 to September 2022 a total of 55 bulky waste refunds were processed. These are typically due to a customer deciding to keep the item or dispose of individually.</p> <p>Sample testing of 6 refunds found that in all cases the amount refunded was correct, and that there had been a valid reason for the refund. For promptness, refunds are processed by Customer Service Advisors. Moving forward, instead of relying on an internal audit to give assurance they are justified, it is recommended that sample check of refunds be undertaken by the Customer Services Team Leader [R5].</p> <p>Discussions during the audit established that refunds will only be given to customers up to 48 hours prior to their scheduled collection. This is to allow sufficient time to update the Orchard collection schedule and ensure the rota is not disrupted. There is currently no information available to customers regarding this process or to advise them of the applicable timescales for requesting a refund. It is therefore recommended that information is added to the council's bulky waste collection webpage in this respect [R5].</p>	<p>Recommendation 5</p> <p><u>Recommendation priority:</u></p> <p>Low</p> <p><u>Recommendation Details:</u></p> <p>The process for bulky waste refunds should be enhanced as follows:</p> <ol style="list-style-type: none"> 1. A sample of check of refunds is undertaken by the Customer Services Team Leader. 2. Information should be added to the council's bulky waste collection webpage advising how to request a refund <p><u>Implementation date:</u></p> <p>December 2023</p> <p><u>Responsible Officer:</u></p> <p>Waste Contract Manager in conjunction with Corporate Services Manager</p>
<p>EF4: Invoices are not reflective of the service delivered- potential over/under charge.</p>	<p>Limited</p>	<p>A review of invoices from Orchard highlighted that since February 2022 there had been an increase in charges. From the charges agreed in the contract, this amounts to an additional £1 where four items are collected, an additional £2 where five items are collected and an additional £3 where six items are collected.</p> <p>Discussions with the Waste team during the audit established that the increase in prices had been introduced as a result of the national rise in fuel prices at the start of 2022. This is therefore considered a fair increase which still generates a surplus for the Council, as demonstrated by the current income for the service. It is however recommended that this price change is formalised in a variation to the Council's contract with Orchard and that the Finance team are made aware of this increase for budgeting purposes [R6].</p>	<p>Recommendation 6</p> <p><u>Recommendation priority:</u></p> <p>Medium</p> <p><u>Recommendation Details:</u></p> <p>The increase in charges made by Orchard to the Council for the provision of the bulky waste service should be formalised as follows:</p> <ul style="list-style-type: none"> - Agree a variation to the contract - Notify the Finance team of the applicable price increase

		<p>Upon receipt of the invoices, these are not currently being verified against the Liberty Create system to check for accuracy. A spot check during the audit of a recent invoice showed a slight discrepancy between the items booked and the items charged for. As this testing was limited, it is recommended that invoices are verified prior to payment to minimise any material difference that could occur. [R7].</p>	<p><u>Implementation date:</u> February 2023</p> <p><u>Responsible Officer:</u> Waste Contract Manager</p> <p>Recommendation 7</p> <p><u>Recommendation priority:</u> High</p> <p><u>Recommendation Details:</u> All bulky waste invoices should be verified and checked for accuracy prior to payment</p> <p><u>Implementation date:</u> January 2023</p> <p><u>Responsible Officer:</u> Waste Contract Manager</p>	
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Audit: Recruitment (Eploy) 2022/2023

Introduction: This audit is completed as part of the 2022/2023 audit plan. Eploy is a complete applicant tracking and talent CRM (Customer Relationship Management) system. It is used to manage all aspects of recruitment, from raising the initial request-to-recruit requisition to the onboarding of the new recruit. The system also includes recruitment analytics, which can be used to produce reports and measure performance of the service. The Council introduced Eploy in July 2021 for main recruitment and has recently extended this to contract staff.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Compliance</p> <p>LP1: Retention of data does not adhere to the council's Corporate Retention Schedule and therefore the service is in breach of GDPR regulations, leading to the possibility of prosecution/fine.</p>	Reasonable	<p>A corporate Data Protection Policy dated 2018 is in place, alongside a Data Retention Schedule. The schedule identifies 37 types of record that the Human Resources and Organisational Development section holds and prescribes retention periods for each area, from immediate deletion for unsolicited applications for employment to 80 years for various health records.</p> <p>For records held on the new Eploy system, retention times and disposal dates are automatically identified, and data will be deleted.</p> <p>However, there are paper-based records which precede the Eploy system that should be reviewed to confirm that they are being held and disposed of in accordance with the Data Protection Act. The HR and OD Manager is aware of this, and a date has been agreed by which this will be completed.(R1)</p>	<p><u>R1:</u></p> <p><u>Recommendation priority:</u></p> <p>Medium</p> <p><u>Recommendation Details:</u></p> <p>Paper-based HR records should be reviewed to confirm that they are being held in accordance with the Council's Data Retention Schedule 2019. All records should be allocated a retention period, with their disposal date clearly marked</p> <p><u>Response from Client:</u></p> <p>This is a task that we are aware of and we will make arrangements for this to be undertaken.</p> <p><u>Implementation date:</u></p> <p>31st March 2023</p> <p><u>Responsible Officer:</u></p> <p>HR and OD Manager</p>

<p>LP2: Policies and procedures may not be comprehensive, reviewed regularly and available to all relevant staff, leading to incorrect procedures being followed.</p>	<p>Substantial</p>	<p>Formal written policies and procedures are not available for Eploy, either in paper or electronic format. However, the Eploy system itself is intuitive, with drop down boxes and free text boxes for narrative which guide the user step by step through the recruitment processes, from the recruit to fill stage to onboarding of a candidate. The HR team have provided training to users of Eploy, and they have recorded training videos showing the main steps in the use of Eploy. These videos provide comprehensive guidance, are available to all users of Eploy and are an appropriate alternative to written procedures.</p>	<p><u>None required.</u></p>
<p>Operational OP1: Staff may not have received adequate training in the use of Eploy leading to errors and delays in the recruitment process.</p>	<p>Substantial</p>	<p>On the job training was provided to users of the Eploy system by the HR team, who also recorded supplementary training videos. As mentioned in LP2 above, the system itself is intuitive and guides the user through the various stages from recruit to fill to the onboarding of candidates. The HR team is available to provide further support to users and there are now many users who would be able to assist their colleagues. Training on Eploy has been undertaken and there is additional support if it is required.</p>	<p><u>None required</u></p>
<p>OP2: Approval levels may not be appropriate, leading to decisions being made which are outside of an officer's defined responsibilities</p>	<p>Substantial</p>	<p>There are three levels of user set up on Eploy being 60 Hiring Managers who regularly undertake recruitment, three Standard Users, all in the HR Team and 26 vendors who are employment agencies who the Council uses to recruit contract staff. Prior to being set up on Eploy, Hiring Managers were identified by HR based upon those who had been involved in the manual-based recruitment process prior to the implementation of Eploy. Users are reviewed regularly by the HR team, to ensure the list remains current and meets the needs of the Council.</p> <p>There are three levels of authorisation required for a recruitment to proceed, namely the recruiting officer, finance and Corporate Leadership Team. With regards to the authorisation levels, they have been set up to ensure that appropriate separation of duties is maintained and give assurance that there is adequate oversight of recruitment at a senior level.</p> <p>The S151 Officer has oversight of all requests.</p>	<p><u>None required</u></p>

<p>OP3: Regular reports are not produced to support the Workforce Development Strategy, by providing information in relation to strategic workforce metrics, leading to an opportunity for improvements being reduced.</p>	<p>Substantial</p>	<p>Key Performance Metrics as per the Workforce Development Strategy (WDS) are being reported on adequately and provide direction of travel and commentary. These are produced through a combination of Eploy and bespoke reports. Reporting is to a variety of audiences including monthly Lead Member updates, quarterly reporting to Management Team and annual reporting to Overview and Scrutiny Committee. These reports cover all key recruitment metrics such as time to hire, turnover, candidate attraction etc. When the WDS is presented annually, further HR related metrics are presented and all show the direction of travel compared with previous years and have supporting narrative.</p>	<p><u>None required</u></p>
<p>Economic and Financial EF1: There is inadequate separation of duties in the use of the Eploy system to prevent the possibility of fraudulent recruitment.</p>	<p>Substantial</p>	<p>Approvers are set up and amended by the HR team when required. As outlined at OP2, there are three levels of authorisation. The audit concluded that these levels and the officers within those levels are appropriate compared to their respective roles and seniority. Testing confirmed that the process is followed in practice and is well explained within the HR training videos. The audit can confirm that no level can be skipped, there is a clear audit trail of who authorises what and when and the levels provide an adequate separation of duties in the approval process.</p>	<p><u>None required</u></p>
<p>EF2: Key decisions are not recorded, leading to a lack of transparency and accountability</p>	<p>Substantial</p>	<p>To expand on the above, the onboarding process was tested and for each stage there was a clear audit trail. This included evidence of the 'Request to Fill Form' and who raised it, the first/second/third authorisers, the system holds detail of the advert, selection for interview, interview notes, contract letter etc. We followed a recruitment, from the recruit to fill stage to the onboarding of the candidate and confirmed that all key documentation was present on the system. The audit can provide assurance that all key documentation is present and that there is transparency in the recruitment process as all stages of the process and decisions are recorded.</p>	<p><u>None required</u></p>

<p>Technology</p> <p>TE1: Access to the system is not adequately controlled, leading to unauthorised use.</p>	<p>Substantial</p>	<p>During testing at IP2 and EF1, we have confirmed that there are 60 Hiring Managers who are able to undertake a recruitment process. The audit can provide assurance that their ability to recruit on Eploy is appropriate based upon their roles and responsibilities. We are also able to provide assurance that authorising officers are set up based upon their role in the process, their service area and seniority.</p>	<p><u>None required</u></p>
<p>TE2: The Eploy system is not being used to its full capacity leading to anticipated benefits not being realised.</p>	<p>Substantial</p>	<p>Eploy is a complete applicant tracking and talent customer relations management system which is used from raising a 'request to recruit' to the final onboarding of a candidate. It is used by some large private sector organisations with 000's employees. Whilst all the elements are being used to some degree, not all of the functionality available, which came as part of the standard Eploy package provided, is required or used. This is acceptable and proportionate for the size of the Council.</p>	<p><u>None required</u></p>

Audit: Treasury Management 2022/2023

Introduction: This audit is completed as part of the 2022/2023 audit plan. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management. As at 31st August 2022, the Council held £33.8m of investments and £30.8m of borrowing.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Compliance</p> <p>LP1: Retention of data does not adhere to the council's Corporate Retention Schedule and therefore the service is in breach of GDPR regulations, leading to the possibility of prosecution/fine.</p>	<p>Reasonable</p>	<p>A Data Protection Policy dated 2018 is in place, alongside a Data Retention Schedule. The schedule advises for all treasury management records 'keep under review'. Advice was sought from the Internal Audit and GDPR Officer, who advised that a period of 6 years + current would be a good basis for retention. However, the Finance Manager and Accounting Technician are satisfied that current year + 1 is sufficient.</p> <p>It is therefore concluded that data may not be retained and disposed of in line with GDPR requirements and clarification should be sought. It is noted that it is unlikely that personal data is held in treasury management records.</p> <p>It was further found that whilst the requirements in respect of the disposal of personal data is set out in the Data Protection Policy it does not refer to data that does not contain personal data, but which is financially sensitive. Nor does it provide guidance on how data should be identified for disposal, whether this should be authorised and the methods to be used. (R1).</p>	<p><u>R1.</u></p> <p><u>Recommendation priority:</u></p> <p>Low</p> <p><u>Recommendation Details:</u></p> <p>There is inconsistency in the requirements for the retention of treasury management records, with the Data Retention Schedule, which should be the definitive guide, being non-prescriptive.</p> <p>The Finance Manager and Accounting Technician should seek clarification from the Internal Auditor and GDPR Officer so that they are clear about how long treasury management records should be held.</p> <p>Clarification should also be sought about how electronic treasury management records, which do not contain personal data are disposed of, for example how this is identified and who authorises its disposal.</p> <p><u>Response from Client:</u></p> <p>Agreed.</p>

			<p><u>Implementation date:</u> 31st December 2022</p> <p><u>Responsible Officer:</u> Finance Manager</p>
<p>LP2: The Council has a treasury management strategy which is appropriate for the investment and borrowing activities and is reviewed and approved on a regular basis and is accessible to staff and members.</p>	Substantial	<p>A strategy is prepared on an annual basis. The current Strategy was formally approved by the Executive on 5th January 2022 and Council on 25th January 2022. The Strategy covers key areas, within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code). The Strategy is available to key staff and can be found on the Council's Website, providing access to all stakeholders</p>	<p><u>None required</u></p>
<p>LP3: The Council has a treasury management policy which is appropriate, covers key areas and outlines roles and responsibilities and is approved on a regular basis and is accessible to staff and members.</p>	Substantial	<p>A Treasury Management policy dated 24th July 2019 was prepared in the name of the Head of Finance and Asset Management and Section 151 Officer and is available to relevant staff. The policy is clear and comprehensive and covers all key areas of treasury management activity incl risk management, performance management, decision making, approved Instruments, methods and techniques, organisation, clarity and segregation of responsibilities and dealing Arrangements, cash flow management etc.</p> <p>There is verbal assurance that the policy has been reviewed since July 2019, to confirm that it remains current however this is not evidenced on the document. It is also noted that the next date for formal review is not shown on the document.(R2).</p>	<p><u>R2.</u></p> <p><u>Recommendation priority:</u> Low</p> <p><u>Recommendation Details:</u> It is good practice to operate version control on documents so that users are confident that the information contained within the document is accurate and up to date. It is therefore recommended that the version date, and date for next review is shown. It is recommended that the Treasury Management Policy is reviewed and confirmed as current on an annual basis.</p> <p><u>Response from Client:</u> Agreed.</p>

			<p><u>Implementation date:</u> 31st March 2023</p> <p><u>Responsible Officer:</u> Finance Manager</p>
<p>Operational</p> <p>OP1: The investment ledger and General Ledger are not reconciled on a monthly basis and is subject to a supervisory review.</p>	Substantial	The Treasury Management system, Logotech is reconciled to the General Ledger monthly. This is undertaken by the Accounting Technician and is reviewed by the Finance Manager. It is confirmed that reconciliations are undertaken in a timely manner and that as at 30 th September 2022 there were no differences.	<u>None required</u>
<p>Economic and Financial</p> <p>EC1: Investments are only placed with approved investment counterparties, within the approved cash limits and within approved timescales.</p>	Substantial	The strategy provides details of approved counterparties, time limits for investing, sector financial limits and details of how foreign investments and pooled funds are to be administered. A sample of 20 investments made in the period 1.11.21 – 30.9.22 from Logotech, the Council's Treasury Management system, confirmed that they were placed in accordance with the strategy.	<u>None required</u>
<p>EC2: Investments have been placed with justification, are supported with appropriate documentation, the interest figure has been correctly calculated, investments were repaid on the correct date and the correct amount of interest received.</p>	Substantial	<p>In all examples, the investment was with a permitted counterparty, within time and financial sector limits.</p> <p>A cashflow forecast is held on Logotech and considers known income and expenditure, based upon information obtained from the previous year, discussions with relevant departments, such as Council Tax, Housing Benefits and Creditors, and projections into the future. The Accounting Technician uses conservative figures and amends the cashflow for material variations and previously unknown amounts. The cashflow allows the Accounting Technician to identify when funds are/will be available for investment and when it is necessary for funds to be recalled. For a sample of 20 investments, we confirmed that a deal ticket and broker notification were present, and that interest received was correct.</p>	<u>None required</u>

<p>EC3: Borrowing requirements have been placed with justification, are supported with appropriate documentation, the interest figure has been correctly calculated and borrowings repaid on the correct date and the correct amount of interest paid.</p>	<p>Not applicable</p>	<p>There were no borrowings in the period under review.</p>	
<p>EC4: There are adequate monitoring arrangements in place to ensure other key requirements of the strategy is complied with.:</p>	<p>Substantial</p>	<p>The strategy provides guidance on how activities should be managed, for example liquidity management and long-term lending. The audit can confirm there is appropriate and regular monitoring and oversight of these areas from a number of relevant stakeholders and advisors, such as the S151 Officer, Arlingclose, the Council's Treasury Management advisor, Members in regular Treasury reports and external audit.</p> <p>Advice is sought from the Council's Treasury Management advisor and fund managers where appropriate.</p>	<p><u>None required</u></p>
<p>EC5: There is adequate separation of duties in the treasury management processes to ensure investments and borrowings are made securely and to counter any potential for fraud</p>	<p>Substantial</p>	<p>Investment transactions are made using the CHAPS system, requiring one officer, usually the Accounting Technician responsible for treasury management to raise the transaction and a different officer to authorise it. In total and including the Accounting Technician, there are 15 officers who are authorisers on the system who are of an appropriate level of seniority and understand the transactions they are approving. However, it was found that three of the authorising officers have left the Council. Assurance was received there is no risk associated with this situation as associated with them remaining as authorisers as they have returned their bank cards required to make a transfer and everything requires dual authorisation. However, it is good practice to remove officers who no longer work at the Council from all systems that they were previously associated. In addition, we found that three of the remaining authorisers have change their names since being set up with the bank. (R3).</p>	<p><u>R3.</u></p> <p><u>Recommendation Details:</u></p> <p>It is recommended that the bank is notified of authorisers who have left the Council or changed their names.</p> <p><u>Response from Client:</u></p> <p>Agreed.</p> <p><u>Implementation date:</u></p> <p>31st March 2023</p> <p><u>Responsible Officer:</u></p> <p>Finance Manager</p>

Recommendations Rating

Priority:		Definition:
1	High	A fundamental weakness in the system that puts the Authority at risk. This might include non-compliance with legislation or council policy, or may result in major risk of loss or damage to council assets, information or reputation. Requires action as a matter of urgency; to be addressed within a 3-6 month timeframe wherever possible or within an extended time frame as agreed with Internal Audit if the recommendation requires extensive resources or time.
2	Medium	Observations refer mainly to issues that have an important effect on the system of internal control but do not require immediate action. Legislation or policy are unlikely to be breached as a consequence of these issues, although could cause limited loss of assets, information or adverse publicity or embarrassment. Internal audit suggest improvement to system design to minimise risk and/or improve efficiency of service. To be resolved within a 6-9 month timescale.
3	Low	Observations refer to issues that would if corrected, improve internal control in general and ensure good practice, but are not vital to the overall system of internal control. A desirable improvement to the system, to be introduced within a 9-12 month period.

Level of control

Level of control:	Definition:	Guidance:
Substantial	Substantial assurance- A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	No audit recommendations or no more than 3 low priority (3) recommendations.
Reasonable	Reasonable assurance- There is generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	No more than 2 medium priority (2) recommendations, possibly with some low (3) recommendations.
Limited	Limited assurance- Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Between 1 and 3 high priority (1) and possibly several other priority recommendations OR 3 or more medium (2) recommendations.
No Assurance	No Assurance- Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	4 or more Priority 1s OR 6 or more medium priority (2) recommendations.