

## Appendix A – Update on Priority 1 and 2 Audit Recommendations

Recommendation	Progress Update	Responsible Officer	Target Date
<b>Banking Arrangements</b>			
Start the procurement process for a new banking contract <i>Priority Score: 2</i>	Procurement and Finance are seeking to resolve the matter with Nat West by the end of November.	Strategic Procurement Manager	Revised target 31/10/2020
<b>Debtors</b>			
Identify all outstanding debts to be raised and ensures that these invoices are created and issued as soon as possible <i>Priority Score: 1</i>	The DLO have confirmed that all outstanding amounts from last year have now been invoiced. New reporting processes have been introduced to provide an early warning control across all services areas.	Assistant Director for Customer	<b>Completed</b>
Ensure that reconciliations between Open Contractor and the General Ledger are completed. Procedure notes should be created so that another officer can pick up the reconciliation if required <i>Priority Score: 1</i>	Status = In progress Significant work undertaken to ensure the General Ledger for 2019/20 accounts is materially correct, involving officers from business support, housing, grounds and open spaces, and finance teams. We are currently recruiting to a vacant systems accountant post, which will provide additional capacity to formally establish procedures and documentation for ongoing regular reconciliation moving forward.	Assistant Director for Finance	Revised target 30/09/2020
Ensure that debts referred back to the services are followed up and an officer takes responsibility for this. <i>Priority Score: 2</i>	Processes are now in place.	Assistant Director for Customer	<b>Completed</b>

Recommendation	Progress Update	Responsible Officer	Target Date
<p>a) Ensure that a review of all non-responses to budget monitoring requests is carried out to ensure they are working within their budget and the expected income targets are on track to be met.</p> <p>b) That Directors ensure full engagement and compliance of budget holders within their areas to ensure budget management and reporting responsibilities are met.</p> <p>c) Ensure that Finance Specialists undertake a regular critical review of larger variances and appropriately challenge the accuracy of the reported variances/ non-variances</p> <p><i>Priority Score: 2</i></p>	<p>This has now been completed</p>	<p>a) Assistant Director for Finance</p> <p>b) Directors</p> <p>c) Assistant Director for Finance</p>	<p><b>Completed</b></p>

Recommendation	Progress Update	Responsible Officer	Target Date
<b>Main Accounting System</b>			
<p>Budget setting process and budgetary control:</p> <p>a) Investigate gaps in budget holder engagement and reports to SMT, and ensures that a risk-based review is undertaken where budget holders fail to report and advice given to the S151 Officer and SMT of key financial control risks/issues requiring attention</p> <p>b) SMT/Directors ensure full engagement and compliance of budget holders within their areas</p> <p>c) Ensure that finance specialists undertake a regular critical review of larger variances</p> <p><i>Priority Score: 2</i></p>	<p>AP team produce regular report comparing income billing totals with previous year. Budget monitoring detailed reports provided each month to budget holders now, with reports to Performance Board. Income is being closely monitored by Lead FBP each month with some income streams significantly at risk due to COVID. This has been regularly reported to SMT, with a monthly COVID return also to Government. <b>This action is therefore closed.</b></p>	<p>a) Assistant Director for Finance</p> <p>b) Directors</p> <p>c) Assistant Director for Finance</p>	<b>Completed</b>
<p>Ensure that a process to reconcile the OC system to the General Ledger is developed and a procedure written. Also to ensure that the OC codes are amended to ensure they post to the correct location on import.</p> <p><i>Priority Score: 2</i></p>	Status = In progress	Finance Business Partner	Revised target 30/09/2020

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<b>Creditors – Key Controls</b>			
<p>We recommend that the Finance Business Partner ensures bank details are validated before being set-up and that a record of the check should be retained detailing who completed the check and the name of the person they were confirmed by and when. Separate reporting on new suppliers should be set up to identify duplicate suppliers and new/changed suppliers to support monitoring and improving held information.</p> <p><i>Priority Score 1</i></p>	<p>We do not yet have a full process in place to include checking this with an external provider (they are checked with the information the company now has to provide on headed paper).</p>	<p>Finance Business Partner</p>	<p>31/10/20</p>
<p>We recommend that the Case Management Lead – Operational Support develops a suite of exception reports to support the payment run, these should be based on mitigating the highest risk first until there is increased satisfaction in the controls at input level</p> <p><i>Priority Score 2</i></p>	<p>Met with SWAP at the beginning of October to discuss the recommendation requirements. SWAP offered to contact other local Councils who also use e5 to see whether they use standard or bespoke reports. Further meeting to be scheduled to progress further.</p>	<p>Case Management Lead – Accounts Payable</p>	<p>Revised target 31/12/2020</p>

<b>Recommendation</b>	<b>Progress Update</b>	<b>Responsible Officer</b>	<b>Target Date</b>
We recommend that the Case Management Lead – Operational Support reviews the process for recording authorisations in the system to allow for a clear and accessible audit trail. A process should be identified to ensure an adequate separation of duties within the process to protect against fraudulent. <i>Priority Score 2</i>	Met with SWAP at the beginning of October to discuss the recommendation requirements. Report has been created, however the number of orders created which originated outside of Firmstep is higher than expected. Further analysis to take place before meeting with SWAP again to discuss further.	Case Management Lead – Operational Support	Revised target 31/12/2020
<b><i>Financial Resilience</i></b>			
We recommend that the S151 officer ensures that the staff budget is fully costed and included in the MTFP. Shortfalls in budget should have robust saving plans in the short to medium term agreed with SMT. <i>Priority Score 1</i>	Directors have agreed themes for savings - detailed / specific proposals to be developed.	S151 Officer/Chief Executive	31/12/2020
<b><i>Housing Compliance – Asbestos Management</i></b>			
We recommend the Localities Case Manager Asbestos track how many surveys are being completed a month or a year and whether that meets the contract terms agreed at the start of the contract. <i>Priority Score 2</i>	This has now been done	Localities Case Manager - Asbestos	<b>Completed</b>

Recommendation	Progress Update	Responsible Officer	Target Date
<p>We recommend that the Localities Case Manager Asbestos obtains a list of all the assets owned by the council and reconciles it with data held on Teams. Ensuring that all council owned assets have had a survey. <i>Priority Score 2</i></p>	<p>This has now been done</p>	<p>Localities Case Manager - Asbestos</p>	<p><b>Completed</b></p>
<b>Business Continuity Planning</b>			
<p>Ensure that:</p> <ul style="list-style-type: none"> <li>• Management across all services have brainstormed all potential risks to the delivery of their service functions, documented them and assigned responsibility for mitigating controls</li> <li>• Management have fed high level risks that have a corporate impact into the Corporate Risk Register and in turn these are recognised within the Corporate BCP</li> </ul> <p><i>Priority Score: 2</i></p>	<p>Management has had to respond in a unique way to COVID and thus demonstrated flexibility and that existing processes have supported business continuity both locally and regionally, supporting all of the national Emergency Planning framework. High level risks have been and continue to be fed in real time into Gold command. This has occurred against a backdrop of changing legislative framework as the incident has unfolded. Outside of the emergency incident, teams are capturing this information which will also feed into lessons learned</p>	<p>Director for Internal Operations</p>	<p>30/09/20</p>