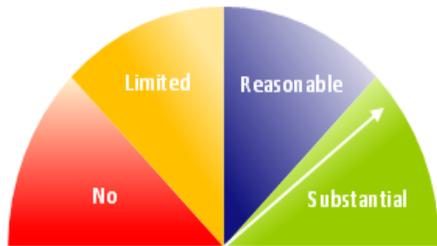


Audit Objective

To ensure that Commercial Investment decisions are being made in line with the Commercial Strategy and progress is being monitored and reported to Members.

Assurance Opinion



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.

Number of Actions

Priority	Number
Priority 1	-
Priority 2	-
Priority 3	2
Total	2

Risks Reviewed

Inadequate decision-making processes lead to the acquisition of commercial investments which do not provide the required outcomes and/or cause financial loss to the Council.

Assessment

Medium
(Due to financial values involved)

Key Findings



The Project Group is not being used as described in the strategy, while this does not result in a weakness of process the Strategy should be updated to reflect what the actual process is.



Acquisition forms are not being fully completed to record and sign off approval to bid and approval to complete. They have the space to record this built in it is just not being used.



Due diligence is carried out for all proposed investment opportunities and the results of these are presented to the Investment Panel and Investment Board for consideration within the decision-making process.



Reports are submitted to Members to update them on the progress of the investment portfolio.

Audit Scope

This audits scope was to review the approval process being used for the commercial investments and to provide assurance to Members that it is in line with the strategy they approved.

The audit looked at the below controls:

- Investments are approved in line with the process outlined in the Commercial Investment Strategy and records are maintained that demonstrate the process has been correctly followed.
- Due diligence is carried out before the purchase is completed and records are maintained. Outcomes of due diligence are correctly reported to those involved in the approval process.
- Investment performance is monitored and reported.

Summary

The process for approving the investment opportunities is happening mostly in line with the strategy. The Investment Group is meeting but not being used in the way originally envisioned but as this was to develop the business case for each rather than as a decision-making group this does not impact on the validity of the decisions being made. The risk has been assessed as Medium as although this is well controlled the financial values and risks involved leave this as an inherently risky area.