

REPORT TO:		Audit Committee	
DATE:		18 December 2023	
PORTFOLIO:		Councillor Peter Britcliffe - Deputy Leader of the Council, Resources	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		AUDIT REPORTS & KEY ISSUES – PROGRESS REPORT FOR THE PERIOD SEPTEMBER 2023 – NOVEMBER 2023	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	n/a

1. **Purpose of Report**

- 1.1 To inform members of the Audit Reports issued during the period September 2023 – November 2023 and bring to the attention of the Committee what the key issues were.

2. **Recommendations**

- 2.1 I recommend that Audit Committee:
- note the content of this report for informational purposes.

3. **Reasons for Recommendations and Background**

- 3.1 This report covers the period of September 2023 to November 2023. The audit areas and any key issues detailed at Appendix 1.
- 3.2 Members should be aware that the number of audit reports that are issued between each Committee meeting is subject to variation dependent on the size of the audit and any non-routine audit work, such as investigations, that the Team may be involved in. Therefore, for the purpose of reporting, only the audit reports fully completed, issued and agreed will be included.
- 3.3 Any investigations that may be carried out will not be included as a matter of routine in this report, particularly if they relate to a specific individual or individuals.

- 3.4 There is a target of 98% of the audit plan to be completed by the end of the current financial year in terms of audit days completed. As the audit team complete timesheets which then feed into the audit plan, it is possible to state the progress to date and the projected end of year position if that data is extrapolated. Therefore:-

Position as at end of October 2023 = 53.02% of the plan completed
Projected out-turn position for 2023/24 = 90.89% of the plan completed

- 3.8 The position at the end of October 2023 can be broken down as follows:-

Month	% of the Plan Completed that Month
April 2023	5.61%
May 2023	7.30%
June 2023	8.86%
July 2023	8.15%
August 2023	9.50%
September 2023	6.43%
October 2023	7.17%

- 3.9 The projected out-turn position for the year is based on the 7 month period April 2023 to October 2023 and assumes that the output remains at the same constant for the remainder of 2023/24.

4. **Alternative Options considered and Reasons for Rejection**

- 4.1 Not applicable as the report is for informational purposes only.

5. **Consultations**

- 5.1 No consultations required as this report is based on data and information held by the audit team based on the work completed.

6. **Implications**

Financial implications (including any future financial commitments for the Council)	There are no financial implications arising from this report
Legal and human rights implications	There are no legal or human rights implications arising from this report.
Assessment of risk	Risks are taken into consideration during the audit process itself, there is no direct risk implication from this report.
Equality and diversity implications	This report is produced for information

<p>A <u>Customer First Analysis</u> should be completed in relation to policy decisions and should be attached as an appendix to the report.</p>	<p>awareness of the progress of the Audit Team against the annual Internal Audit Plan. The Audit Planning process has had an equality impact assessment which remains valid and it is not necessary to update this with a Customer First Analysis at this time. The individual audit assignments may, in some cases, feed into the needs of equality and diversity issues within individual service areas of the Council</p>
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7. Local Government (Access to Information) Act 1985:
List of Background Papers

- 7.1 No background papers were necessary for the preparation of this report.

8. Freedom of Information

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

APPENDIX 1

AUDIT COMMITTEE – 18 December 2023

Summary of the main issues arising from audits carried out September 2023 – November 2023

Section 106 Agreements:-

Audit Assurance Opinion Issued:- Limited assurance

The work carried out within this audit assignment is in conformance with the Public Sector Internal Audit Standards. The work undertaken showed weaknesses in the design and / or inconsistent application of controls that put the achievement of the service objectives at risk.

- The audit found that there needed to be a clear definition for each individual service area which needed to be formalised in relation to the process for s106 agreements. This needed clarity for trigger points, monitoring of the site development, the prompt and accurate raising of invoices and the recording of associated income against income and expenditure against the correct budget codes. The Audit Team supplied a flowchart example and a suggested spreadsheet to streamline and simplify the process. The changes to processes and spreadsheet were adopted by Management.
- In certain circumstances interest can become payable in relation to s106 agreements, the audit recommended that the interest types and when they become payable should be in the table at the end of the s106 agreement together with trigger points. Management agreed to the adoption of this.
- A s106 agreement may become a charge levied against a property / piece of land etc. and the Land Charges Officer must be informed by the Planning Team promptly of any s106 agreements that require removing from the register. The Planning Team should send a separate instruction to the Land Charges Officer to state that s106 monies have been received to record there in no financial obligation on the owner of properties within developments that have a s106 placed upon them. Management agreed to this and the spreadsheet includes a column detailing that this has been done.

Pest Control:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- The audit found an anomaly relating to VAT on the way some services were being charged. This was mainly around services which had previously been free but for which there is now a charge. The VAT rates were updated within Civicapay on 29th September 2023.

- The VAT anomaly does not impact the amount paid by customers, it is an internal calculation of the amount of the fee that is VAT. The value of VAT was included on the October HMRC return and the reduction in actual income notified to the Pest Control Manager.
- It was agreed that the charges published on the Council's website in relation to the domestic pest control service would be updated to account for the correct VAT status.
- The Audit found that the master spreadsheet that details the commercial contracts did not necessarily detail the annual percentage increase in charges. This will be now be included.
- The Audit found that new contracts did not always show a clear breakdown of the charges. This will now take place and a copy of this information will be retained on the network.
- The audit found that the Flare System records were not always updated with the information recorded regarding treatment particularly in relation to domestic work. It was agreed that the details from the treatment report will be included on Flare on the close down of the treatment plan.
- It was agreed that the stock records for poisons would be kept up to date with accurate stock levels to assist with purchasing, risk assessments and both Health & Safety and COSHH (Control of Substances Hazardous to Health).

Members Allowances:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- The audit found that 3 Councillors did not have a completed Basic Allowance form on file. This was not the fault of the Councillors. The 3 forms had been disposed of in accordance with the document retention & disposal policy. Management will approach the 3 Councillors affected and re-complete the required information.

Food Team:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- The audit found that a small number of examples from the audit sample where information had not been recorded on the Flare System. This did not reflect on the actual work being carried out, it impacted the audit trail of events that had taken place. Management agreed to rectify this and ensure this was done in future.

Health & Safety:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- The audit found that whilst records were maintained to a high standard a small number of accident forms were found which had not been signed off by the Safety & Emergency Planning Officer. This was purely an administrative issue as each case had been investigated and dealt with accordingly. It was agreed that this would be rectified going forwards.