

## AUDIT REPORTS ISSUED BETWEEN 1<sup>st</sup> FEBRUARY 2021 & 31<sup>st</sup> MAY 2021

### Emergency Planning & Business Continuity

#### Assurance Level

##### **Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

#### Key Findings

Key Issues	Strengths and Improvements
<ul style="list-style-type: none"> <li>The Disaster Recovery Test Plan should be documented, approved and fulfilled for 2021 and future years, to ensure the integrity of the Council's IT systems.</li> </ul>	<ul style="list-style-type: none"> <li>The pandemic has tested the resilience of the Alliance beyond anything previously undertaken. Key staff have contributed significantly to the various Emergency Planning processes, for example assuming strategic and tactical roles; leading on track and trace; major death planning; and planning ahead for the recovery stage. This is alongside EU Exit planning.</li> <li>The updated Emergency Plan, Business Continuity Plan and other associated documents are currently at the final review stage by the Alliance Leadership Team.</li> <li>Good partnership relationships are in place with the Staffordshire Civil Contingencies Unit and the Derbyshire Emergency Planning Team.</li> <li>The ICT Support Services contract with Northgate Public Services has been renewed from 1<sup>st</sup> April 2021.</li> </ul>

#### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

Description	High		Medium		Low	
	R	A	R	A	R	A
Disaster Recovery			1			
Risk Register					1	
<b>Total</b>			<b>1</b>		<b>1</b>	

## CCTV

### Assurance Level

**Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

<b>Key Issues</b>	<b>Strengths and Improvements</b>
<ul style="list-style-type: none"> <li>Update and further develop private space and public space CCTV inventories to reflect any changes since September 2018.</li> <li>Obtain an up-to-date Programme of Works for the Public Realm CCTV Upgrades and Maintenance contract.</li> <li>Introduce contract management procedures to manage the Public Realm CCTV Upgrades and Maintenance contract.</li> </ul>	<ul style="list-style-type: none"> <li>CCTV accreditation gained against the British Standard (BS7958) and Surveillance Camera Codes of Practice following an independent inspection and audit.</li> <li>Procedures are in place to ensure that any issues highlighted through CCTV monitoring are reported to the local police.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

Description	High		Medium		Low	
	R	A	R	A	R	A
Inventory			1			
Contract & Contract Management			2		2	
Procedures					1	
<b>Total</b>			<b>3</b>		<b>3</b>	

## Climate Change

### Assurance Level

#### **Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

<b>Key Issues</b>	<b>Strengths and Improvements</b>
<ul style="list-style-type: none"> <li>• The Climate Change Strategy should be developed and approved as soon as possible in accordance with the objectives of the Corporate Plan.</li> <li>• The Climate Change action plans should be finalised as soon as possible ensuring that all targets are SMART and contribute towards the objectives of the Climate Change Strategy.</li> <li>• The draft CO2/Sustainability impact assessment form should be implemented as soon as possible, with guidance provided to relevant officers to ensure all relevant issues are considered in the completion of the form.</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change working groups have been established which meet on a regular basis and include representation from relevant external bodies.</li> <li>• Climate Change actions have been considered as part of the relevant Service Plans and Corporate Strategies.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

<b>Description</b>	<b>High</b>		<b>Medium</b>		<b>Low</b>	
	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>
Climate Change Strategy			2			
Climate Change Responsibilities					2	
Training					1	
Impact Assessments			1			
Risk Register					1	
<b>Total</b>			<b>3</b>		<b>4</b>	

## Council Tax

### Assurance Level

#### **Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

<b>Key Issues</b>	<b>Strengths and Improvements</b>
<ul style="list-style-type: none"> <li>• A procedure should be developed to ensure that all new build properties are physically inspected and where complete, issued with a Completion Notice and registered with the Valuation Office.</li> <li>• All discounts/exemptions should be reviewed in accordance with the documented review schedule.</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly Valuation Office schedules are reconciled to the system promptly.</li> <li>• Payments are posted to customer accounts promptly.</li> <li>• A daily reconciliation is carried out between the Income Management System and the Council Tax System.</li> <li>• A monthly reconciliation is carried out between the Council Tax System and the Financial Management System.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

Description	High		Medium		Low	
	R	A	R	A	R	A
Opening Debit Reconciliation 2020/21					1	
Tell Us Once Notifications					1	
VO Notifications Statistics					2	
Inspection of New Build Properties			1			
Review of Discounts / Exemptions			1		1	
System Access					1	
<b>Total</b>			<b>2</b>		<b>6</b>	

## NNDR

### Assurance Level

**Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

<b>Key Issues</b>	<b>Strengths and Improvements</b>
<ul style="list-style-type: none"> <li>A robust, proactive procedure for the inspection/review of business rate premises should be developed and implemented to ensure that all new builds, voids, change of circumstances etc. are captured promptly and the relevant accounts updated accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>A sample of discounts awarded was reviewed and all had been correctly applied.</li> <li>Parameters had been correctly set within the system for the 2020/21 billing year.</li> <li>Valuation Office schedules are reconciled to the Council's NNDR system weekly.</li> <li>NNDR income is regularly reconciled to the Income Management System, and the Financial Management System.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

Description	High		Medium		Low	
	R	A	R	A	R	A
Business Rate Relief Policy					2	
Year End Procedure Notes					1	
Inspection/Review of Business Premises			1			
Opening Debit Reconciliation					2	
<b>Total</b>			<b>1</b>		<b>5</b>	

## Sundry Debtors

### Assurance Level

#### **Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

Key Issues	Strengths and Improvements
	<ul style="list-style-type: none"> <li>• Unallocated cash is reviewed on a daily basis.</li> <li>• An appropriate segregation of duties is in place between staff responsible for raising debtors and accounting for income.</li> <li>• Regular reconciliations are carried out to ensure that income is correctly posted within the key financial systems.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

Description	High		Medium		Low	
	R	A	R	A	R	A
Raising of Invoices					1	
System Access					1	
<b>Total</b>					<b>2</b>	

## Treasury Management

### Assurance Level

#### **Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

<b>Key Issues</b>	<b>Strengths and Improvements</b>
<ul style="list-style-type: none"> <li>Retrospective authorisations requiring a physical signature from the Chief Executive, for example, investments and interest payments, should be actioned as per the authorised signatory listing, in accordance with Financial Regulations and Procedure Rule D3.21, and carried out in a timely manner. The authorisation procedure for such transactions should be reviewed in consideration of the current remote working situation.</li> </ul>	<ul style="list-style-type: none"> <li>The Treasury Management team has adapted to recent economic challenges in light of the pandemic and Brexit to ensure that the Alliance has operated a balanced budget; cash flow has been adequately planned; and funding has been available for capital plans.</li> <li>Counterparty limits have been adapted with the flexibility to respond to fluctuating cash flows, due to the two authorities acting as agent for Covid-19 Business Grant distribution, whilst still maintaining counterparty risk management.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

<b>Description</b>	<b>High</b>		<b>Medium</b>		<b>Low</b>	
	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>
Financial Regulations & Procedure Rules					1	
Payment Authorisation			1			
<b>Total</b>			<b>1</b>		<b>1</b>	

## General Ledger

### Assurance Level

#### **Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

<b>Key Issues</b>	<b>Strengths and Improvements</b>
<ul style="list-style-type: none"> <li>The system for the creation, authorisation and processing of journals should be reviewed to ensure that the authorisation process is adequately restricted to a limited number of senior finance staff.</li> </ul>	<ul style="list-style-type: none"> <li>The end of year bank reconciliation was carried out accurately and promptly.</li> <li>Suspense items are cleared promptly.</li> <li>Allocations from holding accounts are made regularly.</li> <li>Balances are accurately rolled forward as part of the year end process.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

<b>Description</b>	<b>High</b>		<b>Medium</b>		<b>Low</b>	
	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>
Journals			1		1	
Year End Closedown Timetable					1	
<b>Total</b>			<b>1</b>		<b>2</b>	

## Recovery

### Assurance Level

**Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

Key Issues	Strengths and Improvements
	<ul style="list-style-type: none"> <li>• 2020/21 collection rates for Council Tax and Business Rates met the performance target.</li> <li>• Write offs were adequately authorised and documentation retained to support the reason for write off.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

Description	High		Medium		Low	
	R	A	R	A	R	A
Policies and Procedures					1	
Suppression of Recovery Action					3	
<b>Total</b>					<b>4</b>	

## Creditor Payments

### Assurance Level

#### **Assurance: SATISFACTORY**

It is our opinion that controls currently in place within the system provide satisfactory assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

<b>Key Issues</b>	<b>Strengths and Improvements</b>
<ul style="list-style-type: none"> <li>Controls should be implemented to ensure that duplicate payments cannot be made via the Creditors system. This should include consistency of data input into the document reference field in instances where no invoice number is quoted.</li> </ul>	<ul style="list-style-type: none"> <li>Payments made via the purchase ledger are regularly reconciled to the Creditors control account.</li> <li>Accruals are accurately accounted for.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

<b>Description</b>	<b>High</b>		<b>Medium</b>		<b>Low</b>	
	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>	<b>R</b>	<b>A</b>
Purchasing Cards					2	
Invoice Processing			1		1	1
Payment Run					1	
<b>Total</b>			<b>1</b>		<b>4</b>	<b>1</b>

## Budgetary Control

### Assurance Level

**Assurance: SUBSTANTIAL**

It is our opinion that controls currently in place within the system provide substantial assurance that risks material to the achievement of the systems objectives outlined in the Scope and Objectives section of this report are adequately managed.

### Key Findings

Key Issues	Strengths and Improvements
	<ul style="list-style-type: none"> <li>2020/21 budgets were approved by Committee in accordance with the budget setting timetable; and uploaded to the Financial Management System promptly.</li> <li>Budgets are monitored throughout the year and quarterly Financial updates are provided to Committee reporting current position, amendments etc.</li> </ul>

### Summary of Recommendations

An analysis of the recommendations categorised by risk and classification (regulatory or added value) is shown below:

Description	High		Medium		Low	
	R	A	R	A	R	A
None						
<b>Total</b>						