

**Appendix 1**

**Summary of Audit reports Issued Quarter 3 2023/24**

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score <sup>i</sup>
Fees and Charges 2022/23 & 23/24	Finance	<p>To ascertain whether the individual Fees &amp; Charges (F&amp;Cs) proposed for 2023/24 have been approved by the Council's Executive or subsequently through the proposed recommended approvers stated in the report submitted to the Executive (November 2022).</p> <p>Also, to verify that each Service has included into the process and where they have proposed alternative F&amp;Cs they have sought and acquired the appropriate approval(s) as highlighted in the report.</p>	<p>Overall, there is a reasonably effective system of internal management controls for the revision, formal approval and acceptance of the proposed Council's F&amp;Cs for the following financial year. No area of high priority recommendation has been identified. However, there are a few areas where the working practices do not seek formal confirmation and therefore this does weaken the overall control and assurance which would be expected.</p>	<p>1 Services are not identifying the impact their actions have on their budgets.</p> <p>2 Services were engaging in the process and then taking financial decisions re F&amp;Cs after they had been formally approved without re-engaging with Finance to evaluate the implications of the new proposal.</p>	<p>1 The Council has a Commercial Strategy in place however it has not been formally reviewed since its implementation in 2015. The strategy has recently been reviewed and is included in the 2024/25 Fees &amp; Charges report to be presented to the Executive at their meeting 29/11/2023 (and Full Council 06/12/2023).</p> <p>2 Finance Business Partners (FBP) hold regular meetings with budget holders as part of the in-year budget monitoring process and the annual budget setting process. Requests to amend F&amp;Cs are emailed to the Finance Manager (and copies are retained) who seeks approval from the Director of Resources, however, this approval is usually sought verbally. Going forward an approval form will be created for future requests detailing the financial/service implications etc which will be approved by the Director of Resources and copies retained.</p>	2

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<p>Fees and Charges 2022/23 &amp; 23/24 (continued)</p>				<p>3 Details relating to the Council Service provisions are not routinely being published on the Council's and other associated parties' webpages and these notifications were further reduced as they were not being routinely kept up to date, accurate and were on occasions contradictory.</p> <p>4 Services are making unapproved revisions to their F&amp;Cs after they have been formally agreed at Full Council and this is potentially leading to income shortfalls and budget deficits.</p> <p>5 Unauthorised revisions to F&amp;Cs need evaluating as to the financial implications before being considered for approval.</p>	<p>3 The Fees &amp; Charges Tarriff approved by Full Council is circulated annually to Heads of Service (email sent 26/01/23 re 23/24 Tariff). Heads of Service are asked to circulate the approved tariff within their service area. The email will be expanded in future to ask Heads of Service to ensure that any departmental documents/ price lists are updated to reflect the new approved charges.</p> <p>4 Delegation for the approval of fees and charges is included in the annual Fees &amp; Charges report. The Commercial Strategy to be presented to Full Council in December 2023 also includes details of delegated approval.</p> <p>5 As part of the 2024/25 budget setting process FBP's have been asked to verify whether the approved 2023/24 charges are being applied.</p> <p>Fees and charges budgets are reviewed throughout the year as part of budget monitoring which should identify whether income targets are under/overachieving. This then helps to inform the budget setting process.</p>	

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Trade Waste	Streetscene	To review the effectiveness of the controls in place for the provision of a trade waste service to commercial properties in the BBC area.	The internal controls managing the Trade Waste service operate well to mitigate risks and are effective in doing this. There are improvements that have been identified that will further strengthen and ensure controls remain relevant whilst continuing to deliver an effective service.	<p>1 There are currently no council-owned policy or procedure documents that relate to the work carried out by the Trade Waste Team.</p> <p>2 There are incorrect Debtor Details on Commercial Waste Master Spreadsheet.</p> <p>3. There are no Trade Waste service-related performance indicators</p>	<p>1 Devise Trade Waste specific policy and procedure documents and ensure that staff are made aware of their contents.</p> <p>2 The report will be checked against the Financial System on the 1st of the month. The team will monitor the monthly checks to help decide whether reconciliation needs to be carried out more frequently by the Debtors Team</p> <p>3 Team will consider some suitable performance indicators and seek approval from Head of Service</p>	2
General Ledger	Finance	The purpose of this audit was to review the systems and controls of the General Ledger.	The General Ledger infrastructure has systems and controls that work effectively to record financial transactions, enable budget monitoring and report end of year final accounts. Regarding journals, there are areas that could be further improved.	Completed journals are authorised on a quarterly basis. Additionally, some journals are being authorised by the same officer that posted the journals.	It is felt that the risk of fraudulent journals being posted is minimal and there are several mitigating factors in place where any potential fraudulent postings may be identified. These include budget monitoring, journal authorisation and annual closedown. Journals posted by the Finance Manager will in future be authorised by the Director of Resources	1

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Fraud Risk Review	Corporate	To inform Members of the current fraud trends that affects the public sector and the actions that the authority takes to these risks.	There were no significant fraud risks which were not addressed.	No Actions Required	No Actions Required	N/A
IR3 Theft of Chipper	Green Spaces and Amenities	To review the reported incident	There were adequate arrangements to protect the plant but these controls where not effective in preventing the theft	Ensure Depot Gate is Maintained	Additional controls in place until repairs can be made.	N/A
IR4 Selective Licencing Application	Housing and Development Control	To review the reported incident	The issue appeared to be the applicant's fault.	No Actions Required	No Actions Required	N/A
IR5 LSRG ARG Grant	Finance	To review the reported incident	There was no evidence to support that there was any irregularity	No Actions Required	No Actions Required	N/A

**Appendix 1**  
**Audit Score Defined**

Score	Opinion	Definition of Opinion
1	Comprehensive Assurance	There is a sound system of controls designed to meet objectives and controls are consistently applied in all the areas reviewed.
2	Reasonable Assurance	There is a good system of controls. However, there are minor weaknesses in the design or consistency of application that may put the achievement of some objectives at risk in the areas reviewed.
3	Limited Assurance	Key controls exist to help achieve system objectives and manage principal risks. However, weaknesses in design or inconsistent application of controls are such that put the achievement of system objectives at risk in the areas reviewed.
4	No Assurance	The absence of basic key controls or the inconsistent application of key controls is so severe that the audit area is open to abuse or error.
N/A	Not Applicable	The audit review undertaken did not have as its primary objective an assessment of system, its controls and their effectiveness.

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<sup>i</sup> See Audit Score Defined.