

## MONITORING REPORT Q4 2022/23 - SUMMARY OF SCOPE OF AUDITS FINALISED

Audit Area / Head of Service	Audit Title	Assurance Level	Audit Scope	Key Findings / Risks
Fundamental Systems - Financial Services	Cash 2022/23	High	<i>The main areas examined during the audit were: Policies &amp; Procedures, Cash Receipting System (Civica) User Access, Receipting &amp; Banking of income from the general public, Interface with Oracle, Unidentified Income, Bank Reconciliation, Physical Security/Security of Data, Refunds and Reversals, Petty Cash Expenditure from CCI, Temporary Receipts, Stock of Cheques, Stopped Cheques, Returned Cheques, Cover Notes, Controlled Stationery, Kiosk Reconciliations</i>	None
Highways & Transportation	Transport Support	High	<i>The audit covered the key range of internal controls, and the following areas were considered as part of the audit scope: Tendering &amp; Procurement arrangements, Payments to bus operators, Community Transport</i>	None
Education Planning & Resources	Decarbonisation Programme	High	<i>The audit examined the Risks and Control Measures in being regarding Risk 301 in the Council's Risk Register which states "If the QEd programme is to contribute to the local and national decarbonisation strategies, then this will require additional funding, or it will impact on the ability to deliver more projects within the programme".</i>	None
Financial Services	Insurance	High	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: Standing Orders and Financial Regulations, Legal Requirements, Co-Ordination and Monitoring, Register of Insurance Policies, Claims, Insurance Records, Policy Changes, Reviews and Revaluations, Policy Renewal Dates, New Policies, Disposals, Levels of Cover, Index Linking, Claims Handler Transactions, GDPR and Data Retention</i>	None
Financial Services	Fostercare System - Application Controls	High	<i>Testing was undertaken to examine the controls and procedures associated with the following areas: Registration with Applicable Bodies, Compliance with Policy Guidelines and Asset Register, Prevention of Unauthorised Access, Procedures and Guidance Notes, System Stability, Access Set Up, Users Responsibilities, Review of Users, Available Reports, Data Output, Security of Information, Database Integrity Checks, Retention and Disposal of Documentation</i>	None
Child & Family Services	Emergency Duty Team	High	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: Additional payments made to staff for hours worked in excess of their standard working week, Compliance with European Working Time Directive, Travel and Subsistence Expenses, Petty Cash</i>	None

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Fundamental Systems - Financial Services	Main Accounting System 2022/23	High	<i>The audit reviewed the procedures in place and included detailed testing in the following areas: Compliance with Statutory Guidelines - Procedures &amp; Policies, Financial Information Systems, Budgetary Control, Coding Structure, Feeder Systems, Journals and Internal Transactions, Suspense and Holding Accounts, Final Accounts, Security of Data and Database.</i>	None
Property Services	Estates Management & Quadrant Rents	High	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: New Leases, Amendments, Rent Reviews, Rent Collection, Debt Recovery, Refunds, Rent Free Periods, Insurance, GDPR</i>	None
Highways & Transportation	Concessionary Fares	High	<i>Review of the Concessionary Bus Fares scheme administered by officers in the Integrated Transport Unit in the Highways &amp; Transportation service. The Council facilitates payments to bus operators on behalf of Welsh Government and the audit reviewed payments totalling approximately £7.7m made in 2021/22.</i>	None
Adult Services	Fforestfach Day Service	Substantial	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: Expenditure, Purchase Card, Cash Count/Security, Petty Cash Account, Cash/Credit Income, Meals, Sales, Budget Monitoring, Inventory, Personnel Records, Unofficial Fund</i>	<i>Inventory records for three sites were not up to date (MR). Four low risk recommendations had been repeated from the previous review. A number of Low Risk and Good Practice recommendations were also noted.</i>
Housing & Public Health	Furnished Tenancy Scheme	Substantial	<i>Testing was undertaken to examine the controls and procedures associated with the following areas: Security of Stores, New Applications, Terminated Tenancies, Tenants Rent, Stock Records, Damaged/Missing Stock/Write Offs, Inspections, Expenditure, Employees, Travel Expenses, Vehicles, Purchase Cards</i>	<i>Expenditure testing revealed a number of purchase orders created after the the invoice date (MR - repeated recommendation). Two low risk recommendations had been repeated from the previous review. A number of Low Risk and Good Practice recommendations were also noted.</i>
Communications & Marketing	Health Safety & Wellbeing	Substantial	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: Expenditure, P-Cards, Income, Inventory, Officers' Travelling Expenses, Employee Records</i>	<i>Expenditure testing revealed three suppliers with spend in excess of £10k where no contract or waiver was in place (MR). Income recharge testing revealed a number of instances where there were delays in raising invoices or invoices had not been raised at all at the time of review (MR). Also a number of Low Risk and Good Practice recommendations noted.</i>

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Vulnerable Learner Service	Elective Home Education Provision	Substantial	<p>The audit reviewed the procedures in place and included detailed testing in the following areas: Authorised Approvals, Reimbursements, Monitoring, GDPR &amp; Data Retention</p>	<p>The decision about which provider is engaged to deliver the provision is made by the parents. The current process does not include any due diligence checks or checks on DBS, qualifications etc. This issue has been recognised by the team managing funded EHE packages and we were informed that a new process, currently in draft form, is being created to gather such information (MR). Sample testing of the annual reviews of 10 pupils Statement of Educational Needs revealed that 5 had not been reviewed annually (MR). Some additional Low Risk and Good Practice recommendations also noted.</p>
Waste Management & Parks	Grounds Maintenance & Central Operations	Substantial	<p>The audit reviewed the procedures in place and included detailed testing on the following areas: Expenditure, Purchase Card, Credit income/Internal Journals, Monitoring of Work, Inventory, Stock/Stores, Personnel records, Vehicles, GDPR</p>	<p>Sample testing of outstanding invoices revealed that recovery action had been taken but the AR system had not been updated with the action taken (MR). The inventory covering equipment across all sites was not up to date, and an annual check of the equipment inventory had not been completed. Inventory was being updated at the time of the review (MR). Two Low Risk recommendations had been repeated from the previous review. Additional Low Risk and Good Practice recommendations were also noted.</p>

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Fundamental Systems - Financial Services	Council Tax 2022/23	Substantial	<p>The scope of the review covered the following areas: Setting of the Council Tax Base, Property Master file &amp; Valuation Office Notifications, New Properties, Registration &amp; Liability, Discounts, Exemptions, Reduction for the Disabled, Void &amp; Empty Properties, Billing, Collection, Recovery &amp; Enforcement, Refunds, Write-offs, End of Year Balancing, System Access &amp; Parameters, Governance &amp; Performance, Business Continuity &amp; Disaster Recovery</p>	<p>Payment reminders are automatically issued. We were informed that the number of reminders issued has had to be limited to enable the team to cope with the volume of queries generated. Final Reminders were not issued between April 2020 and November 2022, this recommenced December 2022 (MR). There were no Summons issued between April 2020 and June 2021 as Swansea Magistrates Court was closed due to Covid-19. When the Court reopened, a maximum of 500 Summons could be submitted every month, although this has recently increased to 700 a month (MR). Since the disruption caused by the pandemic, breaches of existing Special Arrangements, Attachments to Earnings Orders or Attachment to Benefit Orders have not been pursued (MR). The collection rate achieved in 2021/22 was 93.9%, which was the second lowest of all Welsh Councils. However, it should be noted that the Director of Finance &amp; Section 151 Officer had envisaged a reduction in collections over recent years as a result of the deteriorating economic position. As a result, the Council had prudently planned for a deterioration in collection rates. Similarly, there had been an acknowledged and planned reduction in recovery and enforcement throughout the pandemic and beyond as the Council has prioritised the distribution of various grant support payments during this period. Given the ongoing cost of living crisis, the Director of Finance &amp; Section 151 Officer acknowledges that collection of council tax will</p>
Planning & City Regeneration	Planning Services - Administration & Fees	Substantial	<p>The audit reviewed the procedures in place and included detailed testing on the following areas: Purchasing and Expenditure, Payment Cards (P-Cards), Planning Applications &amp; Fees, Other Income, Refunds, Inventory, Travel Expenses, General Data Protection Regulation (GDPR)</p>	<p>Sample testing of refunded fees identified one refund amount which could not be traced back to supporting documentation (MR). (This was later rectified after the audit - it related to two separate refund amounts that had been combined). Inventory records were outdated (MR). Additional Low Risk and Good Practice recommendations also noted.</p>

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Cross Cutting Reviews	Risk Management (Education) 2022/23	Substantial	<i>The audit looked at the monitoring of Risks within the Education Directorate, and also by the Corporate Management Team (CMT). An audit of Risk Management is carried out annually, with each directorate being reviewed on a rotational basis.</i>	<i>The Control Measures for all of the active Corporate (x1) and Directorate (x7) risks for the Education directorate were examined to establish whether the proposed response to each risk was "SMART" (Specific, Measurable, Achievable, Relevant and Time-bound). It was found that the Control Measures for the following four risks were not fully SMART (MR).</i>
Fundamental Systems - Financial Services	Accounts Payable 2022/23	Substantial	<i>The audit reviewed and tested the key controls in the following areas: System Access, Creation and Amendments of Supplier Records, Non-Oracle Order Approval Emails, Duplicate and Erroneous Payments, Payment Performance, Reconciliation of Accounts Payable to the Ledger, BACS Transmissions, Checking &amp; Countersigning of Payments over £50k, Validation of Payments over £10k, Unallocated Supplier Credits on the System, Physical Access / Security, Direct Debits, Suppliers with the Address "Cheque to Cashiers", Payment of Invoices via Purchase Card, Interface Files, Supplier Incentive Scheme, Data Protection &amp; Document Retention</i>	<i>A sample of fifteen possible duplicate payments was selected for testing. Of the fifteen, it was found that five were actual duplicates. Only two of these had been identified and recovered in the routine monitoring undertaken within AP note these were all low value (MR repeated recommendation). Five repeated recommendations noted, and some additional Low Risk and Good Practice recommendations.</i>
Highways & Transportation	Streetworks	Substantial	<i>Testing was undertaken to examine the controls and procedures associated with the following areas: Chargeable Works, Storage and Issue of Permits and Licences, Cash and Credit Income, Expenditure, Personnel Records, Employee Travel Expenses, GDPR and Data Retention</i>	<i>We identified that one person is solely responsible for deciding which Fixed Penalty Notices are to be issued and which are to be cancelled if an appropriate rejection by a Utility company is made. Further testing in this area also identified that no monitoring of the payment of Fixed Penalty Notices is undertaken, with only the Streetworks Team having knowledge of what notices have been issued (MR). A number of invoices selected for testing showed that outstanding debts on some invoices were not being pursued (MR). Some additional Low Risk and Good Practice recommendations noted.</i>
Adult Services	CREST	Substantial	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: Expenditure, P-Cards, Income, Petty Cash, Inventory, Employee Records, Vehicle Records, GDPR &amp; Data Retention</i>	<i>Site inventory records were noted as being out of date (MR). Additional Low Risk and Good Practice recommendations also noted.</i>

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Fundamental Systems - Financial Services	Business Rates (NNDR) 2022/23	Substantial	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: Governance and Data Security, Valuation, Exemptions and Reliefs, Billing and Collection, Refunds and Transfers, Recovery of Arrears, Write-offs</i>	<i>Recovery processes have been severely impacted as a result of the Covid pandemic and all accounts are deliberately suppressed. However, regular court sessions have now recommenced, and the number of summons applications has been increasing although we were advised it will take several months for all accounts in arrears to be processed (MR). Testing was undertaken to ensure that recovery progression takes place. It was noted that six of the ten accounts tested had no recent actions noted on the Northgate system (MR). Additional Low Risk and Good Practice recommendations noted.</i>
Education Planning & Resources	Schools IR35 Thematic Review	Substantial	<i>Review of compliance with HM Revenue &amp; Customs (HMRC) requirements in relation to the employment status of individuals. The review covered only those primary schools which are scheduled to be audited in the 2022/23 financial year. The audit reviewed the procedures in place and included detailed testing on individual IR35 checks as required by HMRC, undertaken by the schools.</i>	<i>A sample of 37 invoices across 17 schools was selected. Each school was contacted and copies of invoices were requested to confirm what services were provided by the suppliers. Copies of IR35s were then requested. Fifteen IR35s were over 12 months old when the last invoice was paid and four IR35s had not been completed or were not available during the audit (MR). Additional Low Risk and Good Practice recommendations noted.</i>
Communications & Marketing	Design Print	Substantial	<i>The audit reviewed the procedures in place and included detailed testing on the following areas: Expenditure, P-Cards, Income, Inventory, Petty Cash, Officers' Travelling Expenses, Employee Records, Vehicle Records, Stores, Job Costing, Budget Monitoring, GDPR/Retention</i>	<i>Sample testing of P-Card expenditure revealed a number of transactions that had been approved by officers in Accounts Payable, not the designated 'Approver' within the department (MR). Sample testing of stores inventory revealed a number of variances between the valuation stock records and the physical stocktake (MR). Additional Low Risk and Good Practice recommendations noted.</i>

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Communications & Marketing	Civic Admin Mayoral Services & Mansion House	Substantial	<p>The audit reviewed the procedures in place and included detailed testing on the following areas: Expenditure, Purchase Card, Petty Cash Accounts, Cash Count/Security, Inventory, Stores, Insurance, Private Functions, Training Courses, Personnel Records, Vehicles, Health &amp; Safety, GDPR &amp; Data Retention</p>	<p>It was confirmed that all items in the Mansion House are included in the Council's Insurance policy. However the last valuation of the items was undertaken by Bonhams in March 2010 and it is therefore likely that the insurance cover will not be at the correct level (MR). Testing revealed that the last Fire Risk Assessment undertaken at the Mansion House was in 2018 (MR). Some additional Low Risk and Good Practice recommendations also noted.</p>
Commercial Services	Retrospective Orders on Oracle	Substantial	<p>The audit reviewed the procedures in place and included detailed testing on the following areas: Analysis of Retrospective Purchase Orders, Validity of Retrospective Purchase Orders, Compliance with Contract Procedure Rules (CPR's)</p>	<p>A review of Accounting Instruction No. 4 – Orders for Works, Goods and Services highlighted that the requirement to raise an order in advance was not stipulated. It is clear from the review that it hasn't been updated for a number of years. It was also noted that Financial Procedure Rules (FPR 21 Orders for Works Goods and Services) do not stipulate that orders should be raised in advance (MR). The end to end purchase to pay process from sourcing goods and services through to delivery and receipt of goods and payment to the supplier should be reviewed. This will ensure all purchases are approved in advance, aid in the prevention of delays in payment and more effectively route purchases through approved contractors (MR). A sample of 20 orders across various service areas was selected and reviewed to establish the reason why an order had not been placed in advance of an invoice being received. A key control question is whether these items of expenditure may be foreseeable and / or quantifiable and therefore whether it is possible to raise a PO in advance. Our review concluded that the reason provided by the originating officer was acceptable in five of the 20 tested. From the information provided for the remaining 15, it was concluded that the reasons provided were not satisfactory and that a PO should have been placed prior to the receipt of the invoice (MR).</p>

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Financial Services	Pension Fund Other Transactions	Substantial	<i>The audit included testing on the following areas: Pension Fund Committee Costs, Local Pension Board Costs, Actuary Costs, Training Expenses, Conference Expenses, Mortality Screening Expenses, Pro-Rata Recharging of Actuary Costs to Admitted Bodies</i>	<i>Expenditure testing revealed that Contract Procedure Rules had not been followed in relation to payments to five suppliers where cumulative payments exceeded £10k.</i>
Human Resources & Service Centre	Disclosure & Barring Service (DBS)*	Moderate	<i>The scope of the review covered the following: Internal Procedures, Processing of DBS Applications, Review of Posts, Reports and Monitoring, DBS Checks – New Starters, DBS Checks - Existing Employees, DBS Renewals, Payments to Powys County Council, Re-charging of Departments, System Access / Confidentiality, GDPR and Data Retention</i>	<i>Please see the summary of key findings in the body of the report.</i>
Fundamental Systems - Financial Services	Accounts Receivable 2022/23	Moderate	<i>The scope of our work included the testing of a range of controls relating to the following: Financial regulations and procedure notes, User access, Creation of invoices, Collection of income, Recovery of arrears, Interface reconciliations, Invoice cancellations, Performance monitoring, Write-offs, Refunds, Disaster Recovery and Business Continuity, System back-ups, Security of Data/GDPR/Retention</i>	<i>Please see the summary of key findings in the body of the report.</i>
Highways & Transportation	Fleet Maintenance	Moderate	<i>The audit included the review and testing of controls established by management over the following areas: Purchase Card (P-Card), Expenditure, Personnel, Inventory, Petty Cash, Third Party Recharges / Income, Drivers &amp; Vehicle Fleet, Routine Safety Inspections Services &amp; Stores of Oil, Tools &amp; Tyres and GDPR.</i>	<i>Please see the summary of key findings in the body of the report.</i>