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| Report to: | AUDIT COMMITTEE |
| Relevant Officer: | Louise Jones, Head of Revenues, Benefits and Customer Services |
| Meeting | 21 January 2021 |

CLIENT FINANCES AUDIT FOLLOW-UP

1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report of Client Finances issued on 6 February 2020.

2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to Client Finances.

3.0 Reasons for recommendation(s):

3.1 To enable the Audit Committee to consider an update and progress report on the audit recommendations.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 None

5.0 Council priority:

5.1 The relevant Council priority is

- Communities: Creating stronger communities and increasing resilience.

6.0 Background information

6.1 At its meeting in June 2019, the Audit Committee agreed to invite Heads of Service to the meeting to provide an update in relation to internal audit recommendation implementation.

6.2 The report being considered at this meeting relates to the Client Finances audit with the scope and

assurance statement as follows:

6.3 **Scope**

The scope of the audit was to review:

- The policies and procedures in place to assess whether these are being operated as intended;
- Progress made to implement the recommendations which were agreed in the 2016 audit; and
- The additional controls put in place following the discovery of fraudulent activity within the service in 2018.

Assurance Statement

Overall we have assessed that there is an adequate system of controls for client finances. However, there is scope to further enhance controls around authorisation of purchase card transactions, finance requests and the reconciliation process.

Our testing revealed minor lapses in compliance with the controls. The recommendations made in this report should address these going forward.

6.4 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 4(a) - Internal Audit Recommendations and Agreed Actions.

8.0 Financial considerations:

8.1 The controls being implemented will be done so within current budget constraints.

9.0 Legal considerations:

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

10.0 Risk management considerations:

10.1 To enable the Audit Committee to gain assurance that risks are being effectively managed.

11.0 Equalities considerations:

11.1 None

12.0 Sustainability, climate change and environmental considerations:

12.1 None

13.0 Internal/external consultation undertaken:

13.1 The progress report has been prepared in conjunction with the relevant Heads of Service and Chief Officers.

14.0 Background papers:

14.1 None