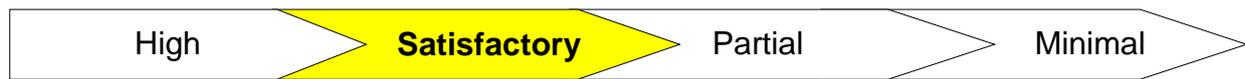


Appendix 3: Audit Opinion and Themes

Assurance



Health and Safety

Objective

To assess the robustness of the arrangements in place to ensure health and safety (H&S) risks within the workplace are effectively and efficiently identified, assessed, responded to, and reported against, in line with legislation.

Approach to the work

During audit testing, general H&S controls in place throughout the Council were reviewed, including those for home working. An additional sample of five service areas (Housing, Adult Services, Children's Social Care Services, Environmental Waste, and H&S within Civic Centres) were selected for testing. Testing of specific H&S controls in place within each these service areas has enabled reporting on a more diverse view of H&S within the Council.

Key Themes

The Council has adapted to emerging H&S needs that have arisen as a result of the Covid-19 virus. This has included:

- development of Covid-19 specific risk assessments and ensuring that Council offices are Covid-19 secure
- Home working arrangements have been put in place and equipment provided to support people to work safely remotely.

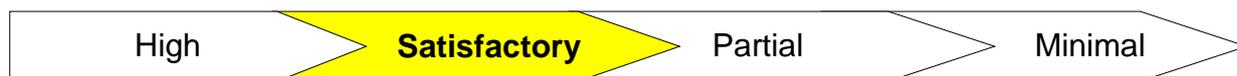
The Council is a member of the Trade Union Consultative Forum (TUCF), in which they take the lead in discussing, reporting and consulting on corporate H&S matters.

Works are underway to improve the control environment. These include:

- Development of departmental specific H&S arrangements, outlining roles and responsibilities for specific officers.
- Development of specialised job specific H&S training within some departments where the risks are heightened.
- Development of a lessons learned process.
- Review of the Strategic H&S Group Terms of Reference, and re-introduction of the Strategic H&S Group meetings on a regular basis. It is acknowledged that there are already plans in place to resurrect the group.
- Review and update of intranet policies, procedures and H&S Co-ordinator contact details.
- Review and update of the Violence towards staff policy, recording of potentially violent persons, the Accident / Incident and, Investigation Code of Practice and the staff H&S Induction Handbook.

Appendix 3: Audit Opinion and Themes

Assurance



Number of actions agreed: 8

General Ledger

Objective

To assess whether the key controls effectively prevent or detect material financial errors, on a timely basis, so that this information can be relied upon when producing the Council's Statement of Accounts.

Themes

Effective control of the General Ledger is key to meeting the Council's ongoing business objectives, as all financial transactions are recorded in the General Ledger. This process therefore underpins the reporting of the Council's financial position, as well as being key to Management Information around budget monitoring.

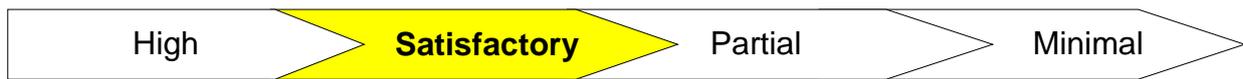
In this audit, we assessed overall governance arrangements in relation to the General Ledger; arrangements for user access rights; key reconciliations; journals and virements; and suspense accounts. We identified appropriate controls in many areas, particularly in relation to bank reconciliations, which appear to be subject to a robust process, and to suitable review arrangements. In addition, the Council's suspense account is regularly reviewed, and contains a relatively small financial volume.

We identified five recommendations, none of which represent high risk findings:

- The Council should ensure that procedure notes are regularly reviewed and updated where necessary to reflect best practice and to ensure that written procedures are in line with actual processes (R1).
- The Council should take measures to ensure that access to modify the General Ledger is restricted based on need. We identified that four staff retained access to post journals, although they do not currently work in a finance role. There is an ongoing project which will directly link roles in Business World to job titles, which would provide an automated solution to this issue. However, completion of this project is not expected in the next year, so the Council should consider the need for periodic access reviews in the interim (R2).
- The Council should introduce a spreadsheet to provide central oversight and assurance that reconciliations between the General Ledger and subledgers / feeder systems are completed as expected. Completion of these reconciliations provides assurance over the accuracy of the Council's financial records, but is currently not subject to central oversight. Testing specific reconciliations, we identified that reconciliations between the Accounts Receivable system and the General Ledger were inactive between May and November 2021 due to a staff vacancy (R3).

Appendix 3: Audit Opinion and Themes

Assurance



- The Council should investigate the possibility of a workflow-based solution for journals, or alternatively consider the benefit of introducing a periodic reasonableness review of journals posted. Currently, journal approvers can make unlimited changes to manual journals, including the General Ledger codes and financial values, meaning there is limited effective review of these changes and increasing the risk of unauthorised changes to the General Ledger (R4).
- The Council should ensure that approval steps for virements and budget adjustments are completed by different individuals. We identified that this process is well controlled but in five of 25 cases tested, virements had been approved twice in the workflow by the same individual. This can occur in cases where an individual is a nominated deputy of an Executive Director, and is also named in the workflow in their own right. We therefore recommend that the Council either modifies its system configuration to prevent this from occurring, or introduces a compensating control whereby approval as deputy are logged to facilitate the necessary approvals by unique individuals (R5).

Number of actions agreed: 5