

Cotswold District Council

Report of Internal Audit Activity

May 2025

Contents

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Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- **No**
- **Limited**
- **Reasonable**
- **Substantial**

Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.



Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Summary of Audit Findings

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Appointment of Consultants	Final Report	Mid Reasonable	2	-	1	1	Reported in October
Operational	Accounts Payable – Qtly Review – 2023/24	Final Report	High Substantial	0	-	-	-	Reported in October
Operational	Emergency Planning	Final Report	Mid Substantial	1	-	-	1	Report in January
Governance	Data Protection / Breaches	Final Advisory Report	N/A	0	-	-	-	Report in January
Operational	Community Infrastructure Levy	Final Report	High Reasonable	2	-	1	1	Report in January
Operational	Members Allowances and Expenses	Final Report	Mid Limited	2	1	1	-	Report in January
Operational	Levelling Up Funding – UKSPF and RESF	Final Report	Mid Substantial	0	-	-	-	Report in January
Operational	Human Resources	Final Advisory Report	N/A	0	-	-	-	Report in January
Key Financial Control	Revenues and Benefits – Council Tax and NNDR	Final Report	High Reasonable	2	-	1	1	Report in January
Key Financial Control	Revenues and Benefits – Council Tax Benefit and Housing Benefits	Final Report	Mid Substantial	0	-	-	-	Report in January
Follow-Up	Procurement Cards	Final Report	Mid Reasonable	3	-	2	1	Report Included
Follow-Up	Taxi Licensing Safeguarding	Final Report	High Reasonable	2	-	1	1	Report Included

Summary of Audit Findings

APPENDIX C

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Section 106s	Draft Report						
Governance	Data Retention	Draft Report						
Operational	CFEU	Draft Report						
Core Financial	Payroll	In Progress						
Operational	Digital Exclusion	In progress						
Operational	Leisure and Culture Facilities	In Progress						
Operational	Climate Change – Operational	In Progress						
Operational	Accounts Payable – Qtly Review – 2024/25	In Progress						
ICT	Disaster Recovery – Revenues and Benefits	Delayed						
Grant Certification	Carbon Data 2022/23	Complete						

Summary of Audit Findings

APPENDIX C

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Support / Advisory	Support to Publica Transition Programme. <ul style="list-style-type: none"> - Finance Workstream - HR Workstream - ICT Workstream - OnBoarding Meetings 	On-Going						
Support	Business Grant Funding – Aged Debt	On-Going						Quarterly review of Business Grant Overpayment Aged Debts with Head of Service, Counter Fraud and Enforcement Unit for reporting to BEIS
Support	Procurement Review	In Progress						Support to CFEU
Advisory	Procurement and Commissioning Group	On Going						
Advisory	Health and Safety Working Group	On Going						
Advisory	Risk Management Group	On Going						
Advisory	Project Management – Active Cotswold	On Going						
Advisory	Co-Ordination Team / Emergency Planning	On Going						Support to CDC's Rest Centre and Co-Ordination Teams
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						

Summary of Audit Findings

APPENDIX C

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

The following are the Internal Audit reports, of each audit review finalised,
since the last Committee update

Summary of Audit Findings

Taxi Licensing Safeguarding Follow Up – Final Report – February 2025

Audit Objective

To ensure the Council is fulfilling its safeguarding duties in relation to taxi driver licensing.

Executive Summary



Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	1
Priority 3	1
Total	2

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

NB: The Key Conclusions below are a reflection of the audit at the time of fieldwork: September - November 2024.

There is a potential risk that effective delivery of taxi driver licencing could be affected during the Publica transition. All Licensing activity must be considered throughout the transition process to ensure there is adequate resource and resilience, and that public safety can be assured.

Key Conclusions



The Licensing Team Leader (LTL) does not currently reconcile income recorded in the Uniform system to income received in Business World (the Council's main accounting system) as per the Financial Rules. Also, the number of licenses issued is not reconciled, which means potentially the risk of issuing licenses without payment is not mitigated. The LTL will liaise with Finance to develop a robust process and ensure compliance with the Financial Rules.



The Hackney Carriage & Private Hire Licensing Policy and Council website have not been updated to state the Council have adopted the Gloucestershire wide Common Standards Policy. The LTL advised it would be nice to have this information updated, but it is not currently a priority.



Evidence was supplied to support the LTL monitors service requests/complaints using Excel spreadsheets generated from Uniform, which require manual manipulation. The LTL advised she felt the current system worked, but she plans to bring in a new process to make defining and analysing service requests/complaints clearer and quicker, however this will take time to

Audit Scope

A follow up of our November 2023 Position Statement has been undertaken. Suggestions and considerations were provided to aid the service improve processes which were being updated at the time.

Control areas reviewed are as follows:

- Application checks and license reviews
- Safeguarding training
- Complaints procedure

Discussions were held with the Licensing Team Leader and evidence sought to support statements made.



- A 3-year cycle of Safeguarding refresher training is now in place. This is managed using Uniform system parameters.
- Evidence has been supplied to support the LTL undertakes a monthly 10% management check of supporting evidence saved against applications in Uniform.
- The LTL maintains a separate record of expenditure and uses this document to budget monitor and reconcile spend against Business World.

Other Relevant Information

The LTL advised she has worked with ICT to tidy up Uniform and confirmed Licensing Officers now input data into more fields than before, so the quality of their data has improved, and that system housekeeping is ongoing. We would agree this work should continue to ensure the integrity of data held in the Uniform system.

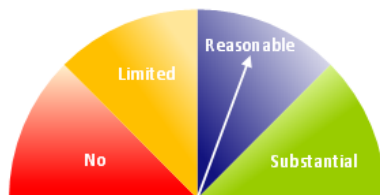
We note the 10% management checks were not undertaken while the LTL was out of the business for a period of time during 2024. She completed these checks retrospectively on her return to work.

Procurement Card Follow Up – Final Report – April 2025

Audit Objective

Follow-Up of 2022/23 audit to assess adherence to new policy / scheme.

Executive Summary



Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	2
Priority 3	1
Total	3

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Key Conclusions



Review of the card register (January 2025) found 1 ex-officer who left in October 2024 was still active. The Accounting Technician confirmed the card was cancelled on the online banking system in January 2025. Managers will be reminded it is their responsibility to inform finance when a card holder leaves so cards can be cancelled in a timely manner.

Since the Publica transition, it has been unclear who is formally responsible for managing CDC's Procurement card register. An Officer will be assigned to manage the card register and Lloyds online account to ensure card usage is managed and reviewed in accordance with the policy.



The Treasury Accountant advised (November 2024) her team have not reviewed the Lloyds Bank Procurement Cards - Policy & Procedures (July 2023), and they have not undertaken a review of all card holders and approval limits annually as per the policy.

The policy and procedures will be reviewed to ensure all responsibilities are appropriately allocated, so procurement cards are managed and reviewed in accordance with agreed guidance and there is separation of duties.



At the time of audit work (January 2025) procurement card spend had not been published on the Council website within 30 days of month end, as per the policy. Guidance will be reviewed, and amended if appropriate, to allow for internal processes to be undertaken and spend will be published within new agreed timescales.

Audit Scope

A follow up of our August 2022 Position Statement has been undertaken. Suggestions and considerations were provided in 2022 to aid the service while a new card scheme was explored, and a new policy was introduced with the aim of addressing control weaknesses identified at the time.

Discussions were held with Finance Officers and evidence sought to support statements made.



- The Lloyds Bank Procurement Cards - Policy & Procedures (July 2023) includes key control requirements for card holders, and card security and unused cards.
- Declarations were seen for all 4 CDC procurement card holders.
- A recent bank statement (November 2024) shows they are no longer addressed to an ex-officer.

Other Relevant Information

Since our position statement was issued things have changed, and it might not now be appropriate to have a centralised register with all partnership cardholder's information on it. Consideration should be given to whether a separate excel card register is maintained to avoid duplication of the information held on the Lloyds online account; signed declarations and approvals should continue to be held by finance.

Amalgamating the procurement card schemes as suggested in our position statement may not now be appropriate. Once all phases of the Publica transition are complete all organisations must consider their approach to procurement card management and if they can benefit from consistencies in approach. Each organisation will need to consider access to systems and information, and who can make purchases and undertake processes on their behalf.

The Chief Accountant advised they were trialling the use of virtual procurement cards, and further testing was needed before a decision could be made on introducing them.