
Report to: Audit and Scrutiny Committee

Date of Meeting: 24 August 2023

Subject: Internal Audit Annual Assurance Report 2022/23

Report by: Internal Audit Manager

1.0 Purpose

- 1.1 This report provides an overall assurance on the Council's arrangements for risk management, governance, and control, based on Internal Audit work undertaken during 2022/23.

2.0 Recommendations

2.1 The Committee is asked to note that:

- sufficient Internal Audit work was undertaken to support a balanced assurance;
- Internal Audit can provide **SUBSTANTIAL** assurance on the Council's arrangements for risk management, governance, and control for the year to 31 March 2023;
- should the trend away from substantial assurance continue, there is a risk that, in future years, the Internal Audit Manager may not be able to reach an overall conclusion that substantial assurance can be provided in relation to arrangements for risk management, governance, and control;
- the Strategic Director Partnership and Performance will provide any status changes to the Audit and Scrutiny Committee as part of a six monthly update report. Internal Audit will also provide assurance and follow up as part of the established action tracking process. Any recommendations that remain outstanding beyond the agreed implementation date will be included in future update reports to the Audit Committee;
- Internal Audit met, or exceeded, each of its Key Performance Indicators; and
- the Internal Audit section operated in compliance with Public Sector Internal Audit Standards, and there has been no impairment to independence during the year.

3.0 Overall Adequacy of the Council's Control Environment and Summary of Internal Audit Work Undertaken During 2022/23

- 3.1 Financial Regulations are clear that it is senior managers' responsibility to establish and maintain effective and proportionate risk management, governance, and control arrangements. Internal Audit is not an extension of, or substitute for, operational management.
- 3.2 The 2017 Public Sector Internal Audit Standards (the Standards) require the Internal Audit Manager to prepare an Annual Assurance Report. This report should include:
- a statement on the overall adequacy of the Council's control environment;
 - a summary of Internal Audit work undertaken during the year; and
 - a statement on the Internal Audit Section's conformance with the Standards.
- 3.3 This report has been prepared to meet those requirements.
- 3.4 Internal Audit's Plan for 2022/23 was agreed by the Audit Committee on 27 October 2022. It proposed sixteen assignment areas to be completed by the team during the year. This included ten audit reports to be issued to Clackmannanshire Council (these ten audit reports did not include those reports issued to the Clackmannanshire and Stirling Integrated Joint Board or Central Scotland Joint Valuation Board).
- 3.5 Members will recall when approving the Internal Audit Plan it was recognised that it had to be flexible, given that priorities, resource, and Directorate capacity could, and continue to, fluctuate and change.
- 3.6 To date, four audit reports (completed to final report stage and issued to Clackmannanshire Council senior management) have been reported to this Committee in February and April of this year. These include:
- Non Domestic Rates;
 - Climate Change Act Public Body Duties Audit;
 - Building Security; and
 - Payroll Transactional Testing.
- 3.7 Two reports have been finalised (completed to final report stage and issued to Clackmannanshire Council senior management) since April, therefore, have not been reported to this Committee before. These include:
- Physical Income Security Arrangements; and
 - Supplier Set Up and Bank Account Changes.
- 3.8 At the April 2023 meeting, Members noted that three audit reviews would be deferred into the 2023/24 Internal Audit Plan. These reviews are as follows:
- IT and Information Security Governance;

- Purchase Order Arrangements at Clackmannanshire for Adult Social Care; and
 - Leisure Income Follow Up Review.
- 3.9 One report relating to Refugee Schemes Governance has yet to be finalised and will be reported to the next meeting of this Committee.
- 3.10 Of the six audit reports finalised, two were substantial assurance and four were limited assurance. Internal Audit use a set of Assurance Categories. A summary of these is set out at **Appendix 1**.
- 3.11 Internal Audit made a total of 81 recommendations in relation to these six finalised audit reports. All recommendations were accepted by management with mitigation action, action dates, and responsible officers included within agreed action plans.
- 3.12 A summary of all work completed over the course of the year is set out at **Appendix 2** with the scope of, and findings arising from, each finalised assignment set out at **Appendix 3**.
- 3.13 Sufficient Internal Audit work was undertaken to support a balanced opinion on the overall adequacy of the Council's control environment. Given the number of recommendations arising from the six finalised audit reports above, and given the number of reports where the level of assurance has fallen below substantial assurance, it is imperative that remedial action is taken on these recommendations as a matter of priority.
- 3.14 To ensure that any significant weaknesses likely to undermine the achievement of objectives and leave the Council vulnerable to an unacceptable risk of error or abuse are addressed, the Strategic Director Partnership and Performance will provide any status changes to the Audit and Scrutiny Committee as part of a six monthly update report. Internal Audit will also provide assurance and follow up as part of the established action tracking process. Any recommendations that remain outstanding beyond the agreed implementation date will be included in future update reports to the Audit Committee.
- 3.15 On the basis of work undertaken, and given the split of assurances across the reports issued, Internal Audit can provide **SUBSTANTIAL** assurance in relation to the Council's arrangements for risk management, governance, and control for the year to 31 March 2023. Should the trend away from substantial assurance continue, however, there is a risk that, in future years, the Internal Audit Manager may not be able to reach an overall conclusion that substantial assurance can be provided in relation to arrangements for risk management, governance, and control. This would be a significant departure from previous years.
- 3.16 Internal Audit measures performance against the following Key Performance Indicators overleaf.

Key Performance Indicator	2022/23	2021/22	2020/21	2019/20
Complete 85% of main audit programme	92%	88%	89%	94%
Have 90% of recommendations accepted	100%	100%	100%	100%
Issue 75% of draft reports within 3 weeks of completion of fieldwork	83%	100%	78%	100%

3.17 Actual performance met or exceeded target for all three indicators, however, performance dropped slightly in one of the indicators. This related to the 'Issue 75% of draft reports within 3 weeks of completion of fieldwork' indicator. It has dropped from 100% to 83%.

3.18 Internal Audit are experiencing delays in confirming audit findings with auditees / Directorates which has meant it has proven difficult to clear audit reports within agreed timeframes. This is due to backlog recovery, staff turnover, and delays in filling vacancies. The Senior Leadership Group has undertaken to monitor these issues to ensure improvement.

3.19 In overall terms, the programme of work was completed within the agreed time allocation, but it is recognised that there are issues outwith the Internal Audit team's control which impact on the ability to meet or exceed performance.

4.0 Compliance With Public Sector Internal Audit Standards

4.1 Internal Audit seeks to undertake all work in compliance with the Public Sector Internal Audit Standards 2017 (PSIAS or the Standards). These Standards have four objectives:

- to define the nature of Internal Auditing within the UK public sector;
- to set basic principles for carrying out Internal Audit in the UK public sector;
- to establish a framework for providing Internal Audit services, which add value to the organisation, leading to improved organisational processes and operations; and
- to establish the basis for the evaluation of Internal Audit performance and to drive improvement planning.

4.2 The Standards define internal auditing as, "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

4.3 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records, and governance arrangements. Internal Audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. There has not been any real or apparent impairment of independence or objectivity relating to audit work.

- 4.4 The Standards require the Internal Audit Manager to establish a Quality Assurance and Improvement Programme (QAIP) to allow evaluation of compliance with the Standards. This comprises an annual self assessment and a five yearly external assessment. Part of this annual assessment includes the Internal Audit Manager confirming the organisational independence of the internal audit activity and to confirm that they report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. This requirement is further defined in the PSIAS as being met when the Internal Audit Manager reports functionally to Audit Committee. Both of these requirements continued to be met during 2022/23.
- 4.5 Internal Audit services are provided on the basis of a Joint Working Agreement with Falkirk Council. The Internal Audit Manager undertook a detailed self assessment against the Standards in March 2023. This confirmed continuing compliance with the Standards, and will be subject to independent, external validation as part of a national review process established by the Scottish Local Authorities Chief Internal Auditors' Group.

5.0 Conclusions

- 5.1 Sufficient Internal Audit work was undertaken to support a balanced opinion on the overall adequacy of the Council's control environment. Given the number of recommendations arising from the six finalised audit reports above, and given the number of reports where the level of assurance has fallen below substantial assurance, it is imperative that remedial action is taken on these recommendations as a matter of priority.
- 5.2 On the basis of work undertaken, and given the split of assurances across the reports issued, Internal Audit can provide **SUBSTANTIAL** assurance in relation to the Council's arrangements for risk management, governance, and control for the year to 31 March 2023. Should the trend away from substantial assurance continue, however, there is a risk that, in future years, the Internal Audit Manager may not be able to reach an overall conclusion that substantial assurance can be provided in relation to arrangements for risk management, governance, and control. This would be a significant departure from previous years.
- 5.3 In providing this opinion, Internal Audit operated in compliance with the Public Sector Internal Audit Standards with no impairments or restrictions to independence.

6.0 Sustainability Implications

- 6.1 None Noted.

7.0 Resource Implications

Financial Details

- 7.1 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes
- 7.2 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

Staffing

7.3 No implications other than those set out in the report.

8.0 Exempt Reports

8.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

9.0 Declarations

9.1 The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
- Our families; children and young people will have the best possible start in life
- Women and girls will be confident and aspirational, and achieve their full potential
- Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

10.0 Equalities Impact

10.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes No

11.0 Legality

11.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

12.0 Appendices

12.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- **Appendix 1:** Definition of Internal Audit Assurance Categories.
- **Appendix 2:** Summary of 2022/23 Internal Audit Programme.
- **Appendix 3:** Details of 2022/23 Internal Audit Programme.

13.0 Background Papers

13.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)
Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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Definition of Internal Audit Assurance Categories

Level of Assurance	Definition
Substantial assurance	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or abuse.
Limited assurance	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or abuse.
No assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.

Summary of 2022/23 Internal Audit Programme

	Directorate	Assignment	Level of Assurance
Other Client Work			
1.	Central Scotland Valuation Joint Board	Agreed with Board management on 1 July 2022	Reported to Board on 30 June 2023
2.	Clackmannanshire and Stirling IJB	Strategic Commissioning Plan	Reported to Audit and Risk Committee on 28 June 2023
Annually Recurring Assignments			
3.	All Directorates	National Fraud Initiative	Ongoing Assurance
4.	All Directorates	Continuous Auditing	Ongoing Assurance
5.	Place	Climate Change Act Public Body Duties Audit	Final Report Issued Substantial Assurance
6.	All Directorates	Consultancy Work	Ongoing Assurance
7.	All Directorates	Work on Recommendations Outstanding	Ongoing Assurance
Committed Assignments			
8.	Partnership and Performance / All Directorates	Non Domestic Rates	Final Report Issued Substantial Assurance
9.	All Directorates	Building Security	Final Report Issued Limited Assurance
10.	Partnership and Performance / All Directorates	Payroll Transactional Testing	Final Report Issued Limited Assurance
11.	Partnership and Performance / All Directorates	IT and Information Security Governance	Included in 2023/24 Internal Audit Plan
12.	People / All Directorates	Purchase Order Arrangements at Clackmannanshire for Adult Social Care	Included in 2023/24 Internal Audit Plan
13.	All Directorates	Physical Income Security Arrangements	Final Report Issued Limited Assurance

	Directorate	Assignment	Level of Assurance
Other Client Work			
14.	Partnership and Performance / People	Leisure Income Follow Up Review	Included in 2023/24 Internal Audit Plan
15.	People	Refugee Schemes Governance	Fieldwork Ongoing
16.	All Directorates	Supplier Set Up and Bank Account Changes	Final Report Issued Limited Assurance

Details of 2022/23 Internal Audit Programme

Assignment	Directorate	Assurance
National Fraud Initiative	All Directorates	Ongoing Assurance
Scope	Final Report Executive Summary	
<p>The purpose of the NFI exercise is to review and investigate the outcomes of data matching undertaken by Audit Scotland on behalf of the Cabinet Office. Matches cover areas such as Payroll, Pensions, Housing / Council Tax Benefit, Council Tax Single Person Discount, and Creditors.</p> <p>The Internal Audit Manager acts as Key Contact for NFI, with responsibility for co-ordinating the process of ensuring that relevant matches are followed-up.</p>	<p>The 2020/21 NFI exercise is now complete. The 'high risk' matches have been risk assessed and followed up as appropriate. No instances of fraud or error have been identified. The 2022/23 National Exercise is now fully underway with Services reviewing and following up on new matches.</p> <p>In addition to the core NFI exercise, Clackmannanshire Council participates in a related exercise designed to detect wrongly claimed Council Tax Single Person Discount. As a result of participation in this exercise (which matches Council Tax and Electoral Roll data), 262 cases were reviewed, with 260 cases identified as being correct and since cleared.</p> <p>Two cases of wrongly claimed discount have resulted in the correct discount being applied now. This has led to a net effect of zero on the Council Tax account due to the change being the same rate.</p> <p>Revised Council Tax demand notices will be issued and recovery action progressed if appropriate. Recovery action would be taken via adjustments to future Council Tax bills.</p>	

Assignment	Directorate	Assurance
Continuous Auditing	All Directorates	Substantial
Scope	Final Report Executive Summary	
<p>This involves analysing Creditors payment data (payments to suppliers) to identify potential duplicate payments.</p> <p>We use audit interrogation software to identify matches on invoice date, amount, and number. We then check our initial results on Integra to identify any cancelled payments; payments made to different suppliers; and duplicate payments already identified (and either cancelled or monies recovered).</p>	<p>For the period April 2022 to March 2023, we identified potential duplicate payments with a value of c£49k. Details of these have been passed to the Chief Finance Officer for appropriate recovery action.</p> <p>As of 11 August 2023, recovery action has been undertaken on potential duplicates identified in 2022/23. This has resulted in recovery of c£42k so far, with full recovery of the remaining duplicates being progressed by the Creditors section.</p>	

Assignment	Directorate	Assurance
Climate Change Act Public Body Duties Audit	Place	Substantial Assurance
Scope	Final Report Executive Summary	
<p>We undertook validation work on the Council's 2021/22 Annual Report.</p> <p>The Climate Change (Scotland) Act 2009 (the Act), introduced the requirement for public bodies to report on their climate change duties.</p> <p>In line with the timescales from the Act, the Council's annual report had to be submitted to the Sustainable Scotland Network (SSN) by the end of November 2022.</p> <p>Our work focused on reviewing the reporting arrangements and the accuracy of the information in the report.</p>	<p>To ensure consistency of returns across public bodies, the Annual Report format is a standard template split into five areas:</p> <ul style="list-style-type: none"> • Profile of Reporting Body; • Governance, Management, and Strategy; • Corporate Emissions, Targets, and Project Data; • Adaption; and • Procurement. <p>We were able to provide Substantial Assurance on the Council's reporting arrangements and the accuracy of the information set out in each section of the Annual Report.</p> <p>Our previous review of the 2020/21 Public Sector Change Duties Report made the following recommendations: to revise the Sustainability and Climate Change Strategy; establish a Carbon Management Group; and develop the Carbon Management Plan. These recommendations have been addressed with the measures included in the Climate Change Strategy and Net Zero Targets report approved by the Council on 11 August 2022.</p> <p>During the course of our current work, we also identified required actions relating to the Council's Climate Change governance, management, and strategy arrangements. These relate to recording Council projects, carbon budgeting and developing a Climate Change Adaption Strategy. We were advised that work on these is ongoing and will be reflected in future reports.</p>	

Assignment	Directorate	Assurance
Non Domestic Rates	Partnership and Performance / All Directorates	Substantial
Scope	Final Report Executive Summary	
<p>The scope of this review was to evaluate and report on the controls established to manage Non Domestic Rates (NDR) transactions, including calculation of rates, changes in liability, exemptions, and reliefs.</p>	<p>NDR income is collected by local authorities, and remitted to the Scottish Government, where it is pooled nationally, and re-distributed back to Councils via the 'General Revenue Grant'. The largest source of funding the Council receives is the General Revenue Grant. This funding includes the monies received from NDR tax collection and amounted to £108m for 2021/22 (2020/21 £102.9m).</p> <p>NDR income is managed and administered on a day to day basis by the Council's Revenues Section. In April 2022, 1,550 NDR bills were issued with a total value of c£17.2M. To ensure that the bills were accurately calculated and had supporting documentation as evidence of any reliefs / changes applied we tested a sample of:</p> <ul style="list-style-type: none"> • 48 bills; • 20 changes of liability bills that had been processed between April and August 2022; and • 41 exemptions. <p>The arrangements for administering and processing NDR bills are compliant with the Scottish Government NDR legislative framework and national guidance.</p> <p>NDR bills were accurately calculated. The Rateable Values applied reconciled to the Central Scotland Assessors Rateable Values and the correct poundage was applied in line with national poundage rates.</p> <p>NDR bills with a change in liability during 2022/23 had supporting documentation in place, and the revised bill was accurately calculated.</p> <p>For empty property and church exemptions we found that the correct exemption was applied and where appropriate, supporting documentation was received.</p> <p>For properties awarded rates relief on their 2022/23 NDR bills we were content that the reliefs had been accurately applied in line with national guidance and supporting documentation was held.</p>	

Assignment	Directorate	Assurance
Building Security	All Directorates	Limited
Scope	Final Report Executive Summary	
<p>The purpose of this review was to follow up on progress with implementing the recommendations from our 2018/19 and 2019/20 reviews of Building Security Arrangements; and to evaluate and report on the adequacy of the controls in place to ensure that Clackmannanshire Council's operational buildings, and the contents therein, are secure.</p> <p>In May 2018, Internal Audit issued a report on building security arrangements. The report provided 'No Assurance' and contained four corporate recommendations that were subsequently agreed with the then Corporate Management Team.</p> <p>In January 2020, Internal Audit issued a further report on building security arrangements. This report included a follow up on the status of the four corporate recommendations from the 2018 review (no further corporate recommendations were made). We found that none of the 2018/19 recommendations were implemented and were 'pending', on the appointment of the Senior Manager (Property). Internal Audit, therefore, provided 'Limited Assurance'.</p>	<p>Internal Audit has reviewed the progress of the 2018/19 corporate recommendations with the Senior Manager (Property) and their current status was found to be partially implemented. We recommend, that action is taken to implement the building security corporate recommendations which have been outstanding since 2019. Consideration should be taken to creating a short term Building Security Working Group in order to take forward outstanding recommendations.</p> <p>There has, however, been a range of actions taken corporately since the 2018/19 audit to raise staff awareness and vigilance. Some of these were reported to the Audit Committee in April 2019 and again in September 2021, including:</p> <ul style="list-style-type: none"> • A workplace security briefing was reissued on the intranet and communicated to all staff via a management cascade in early 2019 and November 2021; • Briefings were provided to Head Teachers as duty holders for school premises and work on duty holders' roles and responsibilities continues through the Council's Health and Safety Executive; • Intranet page on Connect (Safety and Your Security) provides supervisors and staff with a range of information and advice on building security; and • Premises Duty Holders have been appointed, and a Handbook to assist in fulfilling responsibilities effectively has been issued. <p>Internal Audit undertook unannounced visits to a sample of 12 operational buildings and reviewed the physical security measures in place at each building. Particular emphasis was placed on buildings in which vulnerable people (e.g. pupils and elderly residents) were users. For 10 out of 12 operational buildings visited Internal Audit had previously gained unauthorised access as part of the building security reviews in 2018/19 and 2019/20. Robust security measures were found to be in place to prevent and deter unauthorised access to the majority of the sampled buildings. These included a combination of two or more of the following controls:</p> <ul style="list-style-type: none"> • perimeter fencing around the building and the grounds; • remote locking entry doors to the main reception area; • intruder alarms; and • CCTV cameras. <p>Out of the 12 unannounced visits access was gained to four properties. Examples of security weaknesses to be addressed:</p> <ul style="list-style-type: none"> • Access to street lighting and roads equipment store by proceeding through the main gate; • Unauthorised entry to a school by proceeding through an open gate at the bus park and through an unlocked door; • Unauthorised access to a Resource Centre through an unlocked fire exit; and • Unauthorised entry through a main door by tailgating a member of staff. 	

Assignment	Directorate	Assurance
Payroll Transactional Testing	Partnership and Performance / All Directorates	Limited
Scope	Final Report Executive Summary	
<p>The scope of the review was to evaluate and report on the controls established to manage payroll related change transactions, including new starts; leavers; and overtime.</p>	<p>A sample of 117 transactions were selected. We were content that the information from the new start, leaver, and change forms were accurately input to iTrent by Payroll and HR with the changes reflected in the employee's pay.</p> <p>Bank account changes processed by Payroll had appropriately authorised supporting documentation and the change was accurately processed on iTrent.</p> <p>Some weaknesses, however, were found in the controls over the processing, checking, and authorising of Payroll changes. In particular, the insufficient delegated authority of Services iTrent 'reporting managers' and 'managers' approving change forms. In addition, the authorisation levels of these managers were not verified by Payroll and HR prior to processing.</p> <p>Overtime payments are approved within the Service, and processed directly onto iTrent by the reporting managers. There was a lack of audit trail for overtime payments provided by reporting managers which demonstrated non compliance with the Council's Overtime Authorisation Policy. This included evidence relating to the reason overtime was required, and the authorisation and monitoring of overtime and related duties.</p> <p>We also found evidence of late notification by Services of new starts, change of contractual hours, and leavers resulting in six back pay and three overpayment transactions. All back pay identified was found to have been accurately paid in the following month. All overpayments identified have been processed for recovery through the Council's Sundry Debtors in line with the Salary Overpayments Policy.</p>	

Assignment	Directorate	Assurance
Physical Income Security Arrangements	All Directorates	Limited
Scope	Final Report Executive Summary	
<p>The purpose of the audit was to review the arrangements in place for physical income security at income generating and cash handling sites across the Council.</p> <p>In particular, cash handling, banking, cash storage, and Imprest processes.</p>	<p>Internal Audit reviewed the measures in place to safeguard cash at a sample of 12 buildings, with particular emphasis placed on buildings with high income levels and / or Imprest values.</p> <p>Internal Audit found several significant cases of non-compliance with the Council's Financial Regulations, for example:</p> <ul style="list-style-type: none"> • Weaknesses were found in 12 out of 12 sites visited regarding restricting access to safes, and recording and checking safe contents; • 12 out of 12 sites visited had a lack of segregation of duties and management checks; and • There were no Corporate Imprest / Cash Handling procedures. In addition the site specific operational procedures that were available require to be reviewed and updated. 	

Assignment	Directorate	Assurance
Supplier Set Up and Bank Account Changes	All Directorates	Limited
Scope	Final Report Executive Summary	
<p>The scope of the review was to evaluate and report on controls established to manage the risks relating to the efficiency and effectiveness of supplier management arrangements within the corporate finance system.</p>	<p>Internal Audit reviewed 65 supplier transactions (20 new suppliers, 20 supplier changes, and 25 supplier bank account changes) between 1 April 2021 and 22 December 2022. The 40 suppliers with the highest spend in 2021/22 were checked and found that no amendments to supplier details had been made to these accounts over the period.</p> <p>The processing of the sample of new suppliers, changes to suppliers, and changes to bank details were accurate, appropriately approved, and reconciled to supporting documentation. These processes were in line with the written procedures.</p> <p>From Internal Audit testing, weaknesses were found in the controls relating to the processing, checking, and authorising of new supplier details and changes. There was a risk of financial loss should supplier details be deliberately or inadvertently amended.</p> <p>In particular, there is no system requirement for authorisation when creating new supplier details or amending bank account details. There was no management checks to ensure that bank account changes or new suppliers' data is valid and have been processed accurately.</p> <p>Internal Audit also found that there was no Access Control Policy governing individuals who are required to have access to TechOne. This includes defining controls over user passwords and security, monitoring and logging access, and role management.</p> <p>In addition, Internal Audit also identified the following related weaknesses; although the System Administrator role was being fulfilled it has not been defined in job profiles or written procedures, and there was no evidence of reviews being undertaken on user access levels to ensure they are appropriate.</p> <p>The analysis of the supplier database also highlighted a number of potential duplicate records. Details have been provided to the Corporate Accountancy Team Leader for review and action as appropriate.</p>	