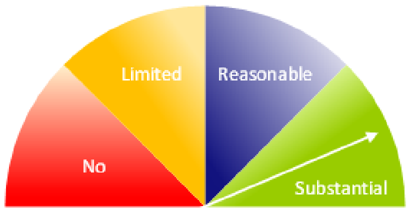
The following are the Internal Audit reports, of each audit review finalised, since the last Committee update

Bank Reconciliations – Final Report – March 2026

Audit Objective	To provide assurance that core financial processes are operated in accordance with agreed policy/procedure and with the Financial Rules.

Executive Summary



Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives.

Management Actions

Priority 1	0
Priority 2	0
Priority 3	1
Total	**1**

Organisational Risk Assessment — **Low**

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

Key Conclusions

There is no established process in place to resolve historical unreconciled items, in either the suspense account or bank reconciliation.
At the time of audit work (January 2026) there were several outstanding entries in both the Council's suspense account, and the 'other items' section of the bank reconciliation. The oldest unresolved items in both are from 2021.
The Accounting Technician will liaise with Publica to establish a process to resolve historical suspense account entries, and unreconciled items going forward.

We can confirm the monthly bank reconciliation is being completed in a timely manner, and it is appropriately authorised in accordance with the Councils financial rules.

Audit Scope

The following areas were reviewed:

- Suspense account monitoring processes.
- Frequency and accuracy of bank account reconciliations.
- Authorisation process for bank account reconciliations.
- Implementation of previously agreed actions.

The period reviewed was November 24 – January 2026.

Other Relevant Information.

The Accounting Technician has advised that they will be working with Publica to clear historic balances that have previously been unable to be resolved as part of the normal reconciliation process.

Income Streams (Licensing) – Final Report – April 2026

Audit Objective	To review income management processes within the Licensing area and provide suggestions for improvements to the control environment.

Assurance Opinion

The advice provided in this report encompasses risk analysis and evaluation based on current activity/operations. Please see the introduction box for details of why an advisory report has been used.

Introduction / Background

Recent changes within Public Protection — including the appointment of a new Licensing Team Leader and Manager, along with several policy updates has meant that undertaking an advisory review would add more value than a compliance audit as agreed in the 2025/26 Internal Audit Plan.

Audit scope
The audit included an assessment of the following areas:

- Policies and processes for the receipt of payments, budget monitoring, and income reconciliation
- Income receipt procedures and methods of income collection
- Reconciliation between expected income and the general ledger
- Performance monitoring, oversight arrangements, and escalation routes

Discussions were held with the Licensing Team to understand how income is collected, recorded, reconciled, and monitored resulting in the development of a flow chart illustrating the end-to-end application and income process. This visual map clarified how the various systems interact, highlighted key automation points, and supported our understanding of the overall processes.

Findings

While several strengths were identified, the review also highlighted areas where processes could be strengthened/improved and aid compliance with Financial Rules as follows:

- Policies and Process Documentation
- Income Collection and System Integration
- Reconciliation of Licensing Income to the General Ledger
- Budget Monitoring and Financial Oversight

Conclusion

The review identified a number of strengths within the Licensing Service's income processes, particularly the use of automated systems for the collection and recording of upfront payments. These system integrations provide a solid foundation for ensuring that most licensing income is captured and transferred accurately between Civica, Uniform, and Business World. The monthly aged debt process also supports the timely recovery of annual licence fees and helps reduce the risk of income loss.

However, the review also highlighted several areas where financial controls could be strengthened. The absence of service-specific policies or procedures for income collection, reconciliation, and budget monitoring reduces clarity over roles and expectations and increases the potential for inconsistent practice. The lack of a routine, end-to-end reconciliation between licensing income and the general ledger means the service is not fully compliant with the Financial Rules and carries a residual risk over income completeness and accuracy. While budget monitoring is undertaken regularly and supported by good engagement with Finance, formal documentation of the process and expectations would help embed consistency and assurance.

Overall, the service has key operational controls in place, but there is an opportunity to strengthen financial governance by introducing clearer documentation, defined responsibilities, and routine reconciliation activity. Implementing these improvements would enhance the robustness of financial controls, support compliance with the Financial Rules, and provide greater assurance over the completeness and accuracy of licensing income.

Accounts Payable (Continuous Analysis) – Final Report – March 2026

Audit Objective: To identify potential duplicate payments. To summarise and present any such payments to the Accounts Payable (AP) team for remedial action.

Executive Summary

Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Management Actions

Management Actions	
Priority 1	0
Priority 2	0
Priority 3	0
Total	**0**

Organisational Risk Assessment: Low

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

Key Conclusions

Accounts Payable (AP) use Business World to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers between 1st April 2025 and 30th September 2025.

A total of 90,160 lines of transactional data was analysed. We cleansed the data and applied conditional formatting to highlight potential duplicate transactions. These transactions were inspected to establish whether mitigating circumstances could be identified (e.g. credit note). 3 suspected duplicates with a potential overpayment value of £622.06 were forwarded to the AP team for further investigation. This represents <0.001% of the total payments analysed.

At the time of writing this report, all potential duplicates for 2025/26 Q1&2 have been resolved. However, AP are managing 1 unresolved payment totalling £126 from 2024/25. We will continue to monitor this through to resolution.

Audit Scope

Our review covers Q1 and Q2 of the 2025/26 Financial Year. We check for potential duplicate payments at Councils and organisations hosted on Business World.

Findings have been summarised and reported to the Accounts Payable team, for further review and remedial action where necessary.

Next Steps

AP continue to work with officers and suppliers to rectify the unresolved duplicate transaction. Potential duplicates for Q3 2025/26 have been forwarded to AP for further investigation.