

## **Summary of Internal Audit Recommendations made, implemented and outstanding 2021/22 – 2025/26**

<b>Recommendations Made</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Number of High Risk	1	0	1	4	3
Number of Medium Risk	13	18	24	29	8
Number of Low Risk	27	37	49	53	20
<b>Total</b>	<b>41</b>	<b>55</b>	<b>74</b>	<b>86</b>	<b>31</b>
<b>Recommendations Implemented</b>	<b>39</b>	<b>55</b>	<b>73</b>	<b>45</b>	<b>15</b>
High Risk Recommendations Outstanding	1	0	0	1	0
Medium Risk Recommendations Outstanding	1	0	1	14	0
Low Risk Recommendations Outstanding	0	0	0	11	0
Not overdue yet	0	0	0	15	16
Total Overdue Recs	2	0	1	26	0
<b>Percentage due implemented or carried fwd to next audit</b>	<b>95%</b>	<b>100%</b>	<b>99%</b>	<b>63%</b>	<b>100%</b>

## **BDC Internal Audit Recommendations Outstanding**

**2021/22**

Report	Audit	Directorate	Conclusion	Recommendations			Total	Not		
Ref				High	Medium	Low		Overdue	Overdue	Implemented
B010	30 Year HRA Business Plan	Both	Reasonable	1	2		3		2 (1H 1M)	1
<b>Total</b>				<b>1</b>	<b>2</b>		<b>3</b>		<b>2</b>	<b>1</b>

**2023/24**

Report	Audit	Directorate	Conclusion	Recommendations			Total	Not		
Ref				High	Medium	Low		Overdue	Overdue	Implemented
B018	CIPFA Financial Management Code	Finance	Reasonable		1	2	3		1M	2
<b>Total</b>					<b>1</b>	<b>2</b>	<b>3</b>		<b>1</b>	<b>2</b>

2024/25

Report	Audit	Directorate	Conclusion	Recommendations			Total	Not		
Ref				High	Medium	Low		Overdue	Overdue	Implemented
B001	Imprest Accounts	Finance	Substantial			2	2		2L	
B002	Corporate Credit Card	Finance	Substantial			2	2		2L	
B003	Non Decent Homes Reporting	Services	Limited	4	1	1	6		1H	5
B009	Creditors	Finance	Substantial			4	4		4L	
B010	Money Laundering	Finance	Reasonable		3		3		2M	1
B011	Housing Benefits & CTax Support	Finance	Substantial			7	7	1		6
B012	Cash & Banking	Finance /Corporate Services & Partnerships	Reasonable		1	1	2		1M	1
B013	Corporate Target	Corporate Services & Partnerships	Reasonable		7		7		6M	1
B015	Sundry Debtors	Finance	Limited		7	9	16	2	6 (3M 3L)	8
B016	Cyber Security Governance	Finance	Reasonable		4	5	9	5		4
B017	E.H Other Licensing Income	Services	Substantial			6	6	4		2
B018	Climate Change	Cross Cutting	Reasonable		4	1	5	3	2M	
<b>Total</b>				<b>4</b>	<b>27</b>	<b>38</b>	<b>69</b>	<b>15</b>	<b>26</b>	<b>28</b>

2025/26

Report	Audit	Directorate	Conclusion	Recommendations			Total	Not		
Ref				High	Medium	Low		Overdue	Overdue	Implemented
B001	Lifeline Scheme	Services	Limited	1	3		4	2		2
B002	Payroll	Finance	Reasonable		1	2	3	3		
B003	Data Protection	Governance	Limited	2	3	3	8	6		2
B004	Business Continuity & Emergency Planning	Services	Substantial				0			0
B005	Housing Rents	Services	Reasonable		1	1	2	2		
B006	Private Sector Housing Disrepairs	Services	Substantial			4	4	2		2
B007	Flytipping	Services	Substantial			2	2			2
B008	Clowne Leisure Centre	Services	Substantial			6	6			6
B009	Council Tax	Finance	Substantial				0			0
B010	Housing Allocations and Lettings	Services	Substantial			1	1			1
B011	Complaints Procedures	Corporate Services & Partnerships	Substantial			1	1	1		
<b>Total</b>				<b>3</b>	<b>8</b>	<b>20</b>	<b>31</b>	<b>16</b>		<b>15</b>

## BDC Outstanding Internal Audit Recommendations

Audit and date audit completed	Recommendation Outstanding	Risk and Original Target Date	Managers Comment
HRA Business Plan – December 2021	The 30 Year HRA Business Plan should be revisited at least every 5 years in line with the MTFP to ensure that it is financially viable and meets the objectives of the Council Ambition. Once finalised the 30 year Plan that is currently in development should be formally approved by Council.	High  Once finalised then every 5 years	The stock condition survey is likely to mean a significant change to the HRA business plan figures. The data is now within the Open Housing system and is being used to project the next 5 years capital spend. we plan to procure an external provider to assist with this is This will probably take place from February onwards 2025, once the MTFP has been produced.
HRA Business Plan – December 2021	Whilst developing the new HRA 30 Year Business Plan the assumptions made should be stress tested to ensure that the plan is robust i.e. looking at best and worst case scenarios for important factors such as voids, inflation and rent levels.	Medium  Once finalised then every 5 years	Please see previous comment.

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CIPFA Financial Management Code – April 2024	An up to date Asset Management Strategy and Plan should be developed and approved by Members	Medium  Not recorded	The existing Corporate Asset Management Strategy and Plan requires a review. Following the decision to move the services and staff of the Dragonfly companies back into the Council, work has been progressing and on track for completion of the transfer by 1 <sup>st</sup> February 2026. A new staffing structure has been developed which includes a Director of Property, Construction and Assets sitting back within the Council. The significant focus of this post is to develop and deliver a new Asset Management Strategy for the Council taking into account Local Government Reorganisation. Work has already commenced and will be completed during 2026 following appropriate consultation and approval with Members.
Imprest – June 2024	The CEO and walking and cycling imprest accounts are no longer used and should therefore be paid back into the Council's bank account.	Low  31 <sup>st</sup> December 2024	The imprest accounts have been used during 2025/26 this will be picked up as part of year-end in April 2026.

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Imprest – June 2024	<p>Imprest claims should be submitted by imprest holders on at least a quarterly basis in order that prompt review of expenditure can take place and charged to the correct financial year.</p> <p>Floats (for separate purposes) should not be used to fund the imprest account.</p> <p>Where expenditure is low and frequent re-imbursement is not required, consideration should be given to reducing the value of the imprest.</p>	<p>Low</p> <p>31<sup>st</sup> December 2024</p>	<p>This is being monitored, although not on a strict basis. Again, this will be considered as part of year-end in April 2026.</p>
Corporate Credit Card – June 2024	<p>Review the credit card single transaction limit as existing spend does not indicate it is required.</p>	<p>Low</p> <p>31<sup>st</sup> December 2024</p>	<p>As the services of Dragonfly transfer back into the Council, the credit cards will be reviewed in the Summer of 2026.</p>
Corporate Credit Card – June 2024	<p>Investigation of outstanding purchase orders relating to credit cards takes place to ensure that these are closed/ cancelled where expenditure</p>	<p>Low</p> <p>31<sup>st</sup> December 2024</p>	<p>This will be looked at as part of year-end for 2025/26.</p>

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	has already been accounted for through coding of the credit card statement.		
Non Decent Homes Reporting  June 2024	The target is set for the percentage of properties which meet the Decent Homes Standard and performance is measured and included as part of corporate performance indicators.	High  June 2025	This will be reviewed as part of the return of Dragonfly management in house.
Creditors – November 2024	valid purchase order should be placed on the system by the relevant department at the time that goods/services are procured to ensure effective matching of what was originally ordered to that supplied and to ensure there are sufficient funds within the budget to cover the costs incurred. Departments should be reminded of this	Low  By 31.3.2025 and then on a 6 monthly basis.	As Dragonfly services return to the Council refresher training around financial procedures for all staff is going to be provided in March 2026.

Audit and date audit completed	Recommendation Outstanding	Risk and Original Target Date	Managers Comment
	requirement.		
Creditors – November 2024	The E-purchasing supplier form is updated with a declaration stating that by submitting the form, the initiator is confirming that verification checks have been undertaken to confirm, to the best of their knowledge, the supplier and supplier details are bona fide	Low  31/3/25	Please see previous comment
Creditors – November 2024	The outstanding purchase order report should be presented to the Service Managers on a quarterly basis and appropriate challenge be undertaken where orders have been outstanding for six months where appropriate.	Low  By 31.3.2025 and then on a quarterly basis	Please see previous comment

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Creditors – November 2024	Contact with the NFI should be undertaken and advice sought to gain access to data-matching reports. In respect to creditor data matching, investigations should be completed by those not directly involved in the creditors process. Risks should be re-assessed further to the outcome of any investigations.	Low  By 31.3.2025 and then on an ongoing per the Councils NFI arrangements	Capacity has meant this has not been done regularly, but from April 2026 this should be dealt with more frequently.
Money Laundering	<p>Review the Council's Anti-Money Laundering Policy as per policy requirements, evaluating the impact of new legislation incorporating any changes, as necessary.</p> <p>The new policy should reflect the posts currently responsible for dealing with Money Laundering matters.</p> <p>Once agreed by Council, other policies, and procedures where Anti-Money Laundering</p>	Medium  November 2025	The policy will be updated and training provided from February onwards, once the MTFP has been produced.

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	is referenced should also be updated.		
Money Laundering	Deliver refresher Anti-Money Laundering training to key officers, front line staff and others as appropriate to improve understanding and awareness of potential risk factors and reporting procedures.	Medium November 2025	Capacity has meant this has not been completed yet, but it will be done from February onwards as per the previous point.
Cash and Bank – January 2025	To ensure all income is comprehensively accounted for, timely bank reconciliations should be completed, checked, signed, and brought up to date on a monthly basis.	Medium June 2025	This is ongoing due to short staffing and external audit taking immediate priority at the moment
Corporate Targets – January 2005	Corporate Targets within PERFORM should be measurable identifying the base position and the target to be achieved.	Medium 31 <sup>st</sup> March 2025 Revised date 30 <sup>th</sup> September 2026	As detailed in the audit report responsibility for the reporting mechanisms of Corporate Targets passed to the Director of Devolution, Policy, and Development in early 2025 when the shared NEDDC / BDC team were split. Unfortunately, the Director responsible for Corporate Targets has been absent since

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	<p>Performance should be supported by planned activities to deliver the target and the date by which activities are to be completed plus any challenges to meeting performance recorded (particularly in respect of the Housing Build target).</p> <p>The Initiative Control sheet allows this information to be captured and should be completed in full for all council plan targets</p>		<p>March 2025 and the Interim Director was not made aware of the audit report or its recommendations until December 2025.</p> <p>To date there has been no progress made to fully implement the recommendations set out in the audit report, however quarterly monitoring against the Corporate Targets has been maintained and reported throughout 2025/26.</p> <p>To coincide with this at the end of Q4 2025/26, a mid-term review of the Corporate Targets is to be undertaken by BDC. This review has been requested by the Leader and CEO following the decision by the Council to return the Dragonfly companies back into the council. This mid-year review will bring with it an opportunity to review all the Corporate Targets, and to address all the seven recommendations of the outstanding audit report.</p> <p>It is therefore requested that the implementation dates for these</p>

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			recommendations be extended until the end of Q2 2026/27.
Corporate Targets – January 2005	Corporate Target CUS 06 and Performance Indicators CSP09, CSI19 & HOU 01 (and other associated housing indicators affected by this indicator) to be re-visited and recalculated further to the errors detected.  Adjusted figures should be reported to the next Finance & Corporate Overview Scrutiny Committee	Medium 31/3/25	As above
Corporate Targets – January 2005	Where there is ambiguity in terms of how a local indicator is determined, the calculation basis is agreed by the service and consistently applied.	Medium 31/3/25	As above
Corporate Targets – January 2005	Evidence / Data should be available to support each quarter's submission. Where records are being maintained for cumulative purposes, it is	Medium 31/3/25	As above

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	important that a snapshot of the position be retained to substantiate the quarterly figures entered into PERFORM.		
Corporate Targets – January 2005	Prior to finalising performance within PERFORM an independent check of data entered to subsidiary records to that reported is undertaken by the section /department responsible for the submission.	Medium 31 <sup>st</sup> March 2025	As above
Corporate Targets – January 2005	The 'Asset Management' performance indicators listed under Schedule 2- Performance Regime, within the Service Level Agreement be re-visited by the Council in consultation with Dragonfly Ltd, to ensure they are fit for purpose.	Medium  This recommendation falls outside of the remit of the current Performance team. Information has been sought from Jim	As above

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		Fieldsend who advises that in the first instance the Council's Shareholder Board should consider this recommendation. He has made Karen and Theresa aware.	
Sundry Debtors	Once recovery processes have been properly defined and agreed, procedures should be documented and maintained and shared corporately.	Low  October 2025	Recovery processes/actions vary for a number of sections due to the nature of the charge. Procedures will be updated once these are firmly in place. Due to competing deadlines this is likely to be later than the October date previously estimated.
Sundry Debtors	To provide effective and efficient recovery processes, re-define recovery routes and timescales for each of the main types of debt and update	Medium  October 2025	As above but in addition, Revenues are now undertaking the recovery processes and this is currently being embedded in the procedures.

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	the Debtors system accordingly.		
Sundry Debtors	Working with Finance, departments should review their areas and suspend/cease providing its services or commence enforcement (suspend licenses, legal action) as appropriate where payment is not being made	Medium October 2025	The focus has been on Trade Waste initially as this is the largest area, we will be moving on to other departments soon but will likely to be later than October 2025.
Sundry Debtors	Where contacts have been established with customers, consideration be given to the departments first contacting the customer after the second reminder stage to encourage payment.	Low October 2025	As above
Sundry Debtors	As part of the finance meetings with managers, the aged debt report is presented and discussed to ensure management are aware of the position and agreement is	Low June 2025	Partially implemented. Will be fully implemented along with the above

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	sought to remedy any on-going difficulties in terms of recovery		
Sundry Debtors	Documented rules & processes should be in place which outline who is able to authorise instalment plans and how these shall be monitored.	Medium October 2025	Will be incorporated into the updated procedure notes. Due to competing deadlines this is likely to be slightly later than the October date previously estimated.
Climate Change – June 2025	To align with the Council's corporate ambitions and strategic risk controls, consider refreshing the Carbon Reduction Plan, incorporating an up-to-date action plan and delivery schedule to establish key targets which enable effective monitoring towards achieving net zero.	Medium October 2025	<p>We have agreed a course of action to develop a new action plan and working group – which we reported to Scrutiny Committee on 14/10/2025.</p> <p>We met with the Cabinet and Junior Cabinet Member for Environment on the 21<sup>st</sup> November to discuss a draft Terms of Reference for a new working group to be established.</p> <p>Alongside this the Climate Change Officer is drawing up a wider draft objectives specification for a new action plan, which will become the developmental subject of the new working group.</p>

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			<p>The working group will be established with meetings commencing in Jan '26 with a view to developing a new draft policy for consultation.</p> <p>As it stands the workings of a draft policy is likely to shared with Scrutiny Committee in early Feb '26</p>
Climate Change – June 2025	<p>To help the council achieve net carbon status by 2050, the council should re-establish a climate change/carbon reduction working group.</p> <p>The group should include key personnel, officers, and relevant partners to help develop and implement a robust action plan</p>	Medium  September 2025	As above