

Causeway Coast & Glens Borough Council

Internal Audit Report *Review of Treasury Management* *Recommendations*

May 2021



Summary

Audit was requested to follow-up and report to the June 2021 Audit Committee on progress in addressing the recommendations made as a result of an internal audit review of Treasury Management which received a limited assurance and was reported to Audit Committee in March 2021.

The findings are reported in the table in the following pages.

In conclusion:

- **5 issues are being addressed**
- **3 issues are yet to be addressed**

These recommendations will be reviewed again as part of the scheduled review of prior year recommendations in the Spring of 2022.

2020-21

Recommendation	Priority Level	Management Response	Position May 2021
<p>Every year council must put in place an Annual Strategy for TM and get it approved by Finance Committee. The Annual Strategy should be followed in full.</p>	<p>2</p>	<p>Annual strategy for TM missed during 20/21 probably due to absence of key member of staff for much of that year, 21/22 Strategy will be in place</p> <p>CFO April 2021</p>	<p>Audit was advised that the TM Annual Strategy for 2021/22 will be presented to the Finance committee in June 2021.</p> <p>Issue being addressed</p>
<p>The final version of the papers provided to Councillors for setting the rates, including the MRP Policy, should continue to be retained in a specially named folder on the Council's shared drive (only accessible to senior Finance Team members) and should always be uploaded onto Council's webpage along with the agenda/minutes of the Council meeting. A short checklist of the papers to be provided in line with the regulations (and any additional reports) should be created by Finance and signed off by the Chief Finance Officer before providing for upload to the Council website with the Rates meeting agenda.</p>	<p>3</p>	<p>MRP policy is presented to council at rates setting meeting and was included with the papers at the recent rates meeting on 25th February 2021.</p> <p>Final versions of reports/policies retained in separate folders and a checklist of reports needed for the striking the rates meeting will be introduced by Finance.</p> <p>CFO in line with schedule of reports preparation for 2022/2023 rates meeting</p>	<p>Audit was advised that all papers for the February 2021 rates setting process have been approved and retained and a checklist will be drafted for the next rate setting process.</p> <p>Issue being addressed</p>

Recommendation	Priority Level	Management Response	Position May 2021
The Prudential Indicator Report should be brought to the Finance Committee on an annual basis. Any change in the calculation (method) should be clearly documented in the PI report.	2	<p>Reference to the correction would have been verbal at the meeting where the report was presented, any future change will be included in the body of the report.</p> <p>CFO March 2021</p>	<p>Audit was advised that this report will be presented to Council as part of the rate setting process; and any change in calculation, if made, would be outlined in future reports.</p> <p>Issue being addressed</p>
A short but comprehensive documented procedure covering all TM matters and timing of reports should be put in place as soon as possible.	2	<p>Procedures to be documented</p> <p>CFO April 2021</p>	<p>Audit was advised that there is no progress to report at this time.</p> <p>Issue not yet addressed</p>
A more frequent update of cash flow projections should be performed by Finance.	3	<p>Current cash flow projection is basic, development of the debt management model includes a cashflow projection which will address this issue.</p> <p>CFO April 2021</p>	<p>Audit was advised that the Debt forecasting model is nearing completion.</p> <p>Issue not yet addressed</p>
The Finance Committee agreed action list, of follow-up matters, should be discussed at the start of every meeting.	2	<p>Accepted</p> <p>CFO March 2021</p>	<p>Audit reviewed the minutes of Finance Committee in April and May and note this has not yet been actioned. However actions are recorded on a spreadsheet maintained by Democratic Services which is accessed and used to ensure follow-up by the relevant officer for each Committee.</p> <p>Issue being addressed</p>

Recommendation	Priority Level	Management Response	Position May 2021
<p>Finance should ensure compliance with TMP 6 of the Council's TM Policy by providing a mid-year review of progress, and an annual report on performance and compliance after the close of the financial year.</p>		<p>Mid-year review will be presented to committee in Oct/Nov 2021, Annual review for 2020/21 will be presented after year end.</p> <p>CFO Oct/Nov 2021 and April/May 2022</p>	<p>In line with the management response, it is planned that the mid-year review will be presented to committee in Oct/Nov 2021 and annual review in April/May 2022.</p> <p>Issue being addressed</p>
<p>Training on Treasury Management and the CIPFA code of practice should be arranged as soon as possible for elected members who sit on the Finance Committee. Refresher training for senior Finance Team members should be re-instated.</p>	2	<p>Member training does take place but needs to be extended to treasury management</p> <p>CFO to discuss training need with ODHR and Democratic Services - April 2021</p>	<p>Audit was advised that no progress has been made to date.</p> <p>Issue not yet addressed</p>