Recommendation	Response

Our review of the IT control environment at the Council and CoSocius (where appropriate), identified potential risks relating to:
    • the segregation of user roles within the Oracle system
    • inappropriate access to business process controls
    • and in areas including system administration and privileges, access rights, best use of security reports and password controls.
 	
The Council should ensure the necessary improvements are made to strengthen controls in these areas.
	Agreed. The Council is working with its ICT service to review user access within Oracle and strengthen its arrangements. Improvements have been made during the year and remain on-going.
	The recommendations will also be considered as part of the control environment requirements for the ERP replacement programme.

We recommend the Council consider ways in which it can more accurately estimate the movement on the business rates appeals provision for disclosure purposes, between the amount charged to the provision for appeals subsequently settled and then the additional amount that brings the provision to the required balance for the year end.	Agreed. Preparation of the Collection Fund is a technical and mostly isolated task, and the Finance Team will look at ways to create more resilience in this area and include appropriate reviews of draft entries. Appropriate restructuring and reviews of individual activities is already underway.
We recommend that the Council must engage a suitably independent internal auditor to complete a rigorous and thorough review into the procurement matters. •The review should be overseen, directed and reviewed by an auditor who is independent of the Council. •Given that this may ultimately inform the police investigation, the Monitoring Officer, with his line management responsibilities for Internal Audit, should identify an appropriate internal audit service from another authority who are able to provide the Council with this expertise. •The Monitoring Officer should discuss this with the Senior Investigating Officer and reach agreement over the suitability of this appointment, the specific	Agreed. This recommendation picks up on work arranged by the Internal Audit Team and Senior Cheshire East Council managers in December 2015. The involvement of independent audit was part of the original proposal and is therefore accepted as part of this recommendation. The Monitoring Officer will liaise with the Investigating Officer as appropriate.

scope of their work and the extent to which the Council's own Internal Audit team will be involved.
•The Monitoring Officer should also discuss with the Senior Investigating Officer, the extent to which any Internal Audit findings arising from this work may be reported , in order to avoid compromising the wider investigation in any way