

Appendices



Item No.

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Internal audit progress report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	2 December 2008
Policy Document:	NO
Directorate:	Finance and Support
Accountable Cabinet Member:	Malcolm Mildren

1. Purpose

1.1 To provide the Audit Committee with a report summarising progress made against the approved internal audit plan.

2. Recommendations

2.1 Receive the report.

3. Issues and Choices

3.1 Report Background

3.1.1 Introduction

The report is produced to inform the Committee on internal audit activity in the current year up to the date of the Committee meeting. The report will give an update on reports issued and recommendations made as well as highlighting any issues that are considered appropriate to bring to the attention of the Committee.

3.1.2 Plan Outturn

We have undertaken work in accordance with the 2008/09 Internal Audit Plan which was presented to and approved by the Audit Committee at its meeting in February 2008.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One. This shows that we have undertaken a number of reviews for which reports have been issued in draft and completed a significant amount of the Core Assurance work with reports to be issued imminently.

3.1.3 Reporting and activity progress

Final reports

The following reports have been issued in Final since the previous Audit Committee Meeting. No changes have been made to what was reported in the 2007/08 Annual Report.

- 07/08 NBC 07 General ledger – Limited Assurance
- 07/08 NBC 12 Bank reconciliations – No Assurance
- 07/08 NBC 18 Health & Safety – Moderate Assurance (with improvement)
- 07/08 NBC 23 Communications & Citizen Engagement Follow up
- 08/09 NBC 04 Environmental Health (Commercial services) – Moderate Assurance
- 08/09 NBC 05 Non Domestic Rates – High Assurance

2008/09 Draft reports:

We have issued the following reports in draft format and are awaiting management responses:-

- **08/09 NBC 06 Call out arrangements (Westbridge)** – A review of the controls over the out of hours call out service was undertaken. This included a review of how call out rotas are prepared, the utilisation of this service and costs involved. Given the manner in which the service was being arranged and delivered we gave **No Assurance** over this area. The following key points were noted:
 - There was concern over the manner in which rotas for tradesman were put together and opportunities to work on call out not open to all.
 - Potential non-compliance with the Working Time Directive.
 - Whether the Council was obtaining value for money by having tradesman on call who were rarely called out and issues over the application of recharges to tenants.
- **08/09 NBC 07 Treasury Management** – This review focused upon the Council's cash and investment management activities. Overall we noted that there had been some improvement in the level of control which was also evidenced by almost all of the prior year findings having been implemented. Overall we have given a **Moderate** level of assurance with improvement to reflect progress made.

2008/09 Fieldwork completed

We have completed our fieldwork in the following areas and are now preparing the draft report:-

- **Debtors**
- **Creditor payments**
- **Council tax**
- **Housing rents**
- **Housing management (Temporary accommodation)**

Other work performed

We have undertaken further work on Risk Management which has focused upon the following areas:

- Provision of ongoing advice and support to the Council's Interim Risk Manager with regards the revision and updating of the Council's risk management framework;
- Preparation of material and presentation to Council Members held on 13 November 2008; and
- Facilitation of a strategic risk workshop to the Council's Management Board to be held on Friday 28 November.

In addition we were asked by management to undertake additional work in the following areas:

- Car Parking – Work has been performed to assess controls over the collection and recording of car park income; and
- Recording of unders and overs by cashiers.

3.2 Issues

3.2.1 As detailed in the report

3.3 Choices (Options)

3.3.1 N/a

4. Implications (including financial implications)

4.1 Policy

4.1.1 No implications other than enabling monitoring of internal audit reporting performance.

4.2 Resources and Risk

4.2.1 Risks may be highlighted as a result of audit issues being reported.

4.3 Legal

4.3.1 N/a

4.4 Equality

4.4.1 N/a

4.5 Consultees (Internal and External)

4.5.1 Director of Finance and Head of Finance

4.6 Other Implications

4.6.1 N/a

5. Background Papers

5.1 Appendices to the report

- Appendix 1 - Progress against approved plan
- Appendix 2 – Summary of recommendations made
- Appendix 3 – TeamCentral report extract

5.2 Other individual internal audit reports are available if required.

Chris Dickens
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