

Appendices



Item No.
[Item number and
title as on agenda]

NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Internal audit progress report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	19 February 2009
Policy Document:	NO
Directorate:	Governance and Improvement
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 almost completed all of the reviews and reported findings to management. All outstanding reviews have been planned and will be completed before the years end.

3.1.3 Reporting and activity progress

Final reports

The following reports have been issued in Final since the previous Audit Committee Meeting.

- 08/09 NBC 03 Freedom of Information and Data Protection
- 08/09 NBC 07 Treasury Management

2008/09 Draft reports:

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

- **08/09 NBC 08 Car Parking** – A review of the controls over the collection, banking and monitoring of car parking income was performed. Given the manner in which the service was being managed and delivered we gave **No Assurance** over this area.
- **08/09 NBC 09 Housing Management (Temporary Accommodation)** – A review of the controls in place for securing and placing clients into Temporary Accommodation was undertaken. Overall we gave **No Assurance** over this area.
- **08/09 NBC 10 Housing Rents** – A review over the controls in place for the setting, collection and accounting for Housing Rents was performed. Given the number and type of issues identified we gave **No Assurance** over this area.
- **08/09 NBC 11 General Ledger** – A review of the controls and processes in place for the maintenance of the General Ledger system was undertaken. Overall we were only able to provide a **Limited** level of assurance due to weaknesses identified and also due to the fact that 8 out of the 11 prior year recommendations made were either still outstanding or had only been partially addressed.
- **08/09 NBC 12 Creditors** – We undertook a review of the creditors raised through the main Agresso system and Uniclass system at Westbridge. Given the marked differences between the controls in operation between the two systems we have given separate assurance ratings below:
 - Agresso - **Moderate** level of assurance
 - Uniclass – **No Assurance**
- **08/09 NBC 13 Council Tax** – Our review of the controls and processes in place within the Council Tax function found that improvements have been made year on year which has resulted in us being able to give a **Moderate**

level of assurance as opposed to Limited level which was given in the previous year.

- **08/09 NBC 14 Fixed Assets** – The review focused on the controls in place to ensure that assets are adequately safeguarded and correctly valued and recorded with the financial accounts. Overall we gave **No Assurance** over this area with one issue being identified as critical, namely that information on a number of capital transactions for 2008/09 had not been posted on AIRS the fixed asset system. Based upon the sample testing performed, in our opinion this weakness could have a significant impact on the achievement of the following organisation objectives:
 - safeguarding assets; and
 - the preparation of reliable financial and operational information.

This weakness should be considered a 'Significant Control Issue' for the purpose of your Annual Governance Statement.

- **08/09 NBC 15 Payroll** – The review of payroll system identified that only 6 out of the 19 prior year issues were found to have been addressed. Overall we gave **No Assurance** over this area.

2008/09 Fieldwork completed

We have completed our fieldwork in the following areas:-

- **Debtors**

Other work performed

We have undertaken further work on Risk Management which included:

- Facilitation of a strategic risk workshop to the Council's Management Board to be held on Monday 9 February 2009.
- 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.

We were also asked by management to undertake additional work in the following areas:

- Leisure Centre Income
- Fuel monitoring and usage
- Investigation into suspension of employee

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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