



AUDIT COMMITTEE REPORT

Report Title	Internal audit progress report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	22 October 2009
Policy Document:	NO
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Councillor David Perkins

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 2009/10 Internal Audit Plan which was presented to and approved by the Audit Committee at its meeting in February 2009.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One. This shows that we have delivered over a third of the agreed plan and have planned in the majority of remaining reviews.

In addition final reports have been issued for all 2008/09 reviews and progress in respect of implementing recommendations is being tracked through TeamCentral, as shown in Appendix 2.

3.1.3 Reporting and activity progress

Final reports

The following 2009/10 reports have been issued in Final since the May 2009 Audit Committee Meeting.

- **09/10 NBC 01 NDR** – A review of the controls in place over identifying and assessing liability, billing, collection and enforcement activities was performed. Overall the review highlighted 10 weaknesses which were all assessed as either medium or low risk and as such a **Moderate** level of assurance was given over the systems and controls in place.
- **09/10 NBC 02 Home Renovation and Disabled Facilities Grants** – The review focused upon the controls in place over the application, approval and allocation of these grants. Due to a period of uncertainty and confusion along with a freeze on grant payments back in 2007 a large backlog of applications arose. This reflected poorly upon the performance of the Council and a new management structure was put in place during October 2008 to tackle this area. Since then considerable progress has been made in dealing with the backlog of applications and work is ongoing to improve the overall control environment. Given the progress being made we were able to give an overall **Moderate** level of assurance and only the following high risk recommendation was raised during the review:
 - For one of the thirty cases tested we noted that a decent homes grant was awarded despite the fact that the claimant had only lived in their house for a couple of months rather than the three years usually needed to qualify for assistance under this scheme. No rationale had been documented on the file apart from the fact that this had been approved by the Housing Solutions Manager. Given that the grant was also under £5k no charge on the property arose which could then be clawed back if the occupant decided to sell within the next ten years.
- **09/10 NBC 03 Health and Safety** – The review focused on the Health and Safety arrangements in place at the Council for managing and responding to risks. Overall we identified 3 weaknesses in the operation of controls which were assessed as either medium or low risk. As such we have given a **Moderate** level of assurance (with improvement) to recognise the direction of travel and work undertaken at the Council.

In addition we have issued the following outstanding 2008/09 reports as final:

- 08/09 NBC 02 Expenses
- 08/09 NBC 06 Call Out Arrangements

- 08/09 NBC 12 Creditors
- 08/09 NBC 20 Leisure Centres
- 08/09 NBC 22 Concessionary Fares
- 08/09 NBC 23 Housing Benefits
- 08/09 NBC 24 Agresso 5.5 Post Implementation Review
- 08/09 NBC 25 Regeneration and LDS

2009/10 Draft reports:

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

- 09/10 NBC 04 Grounds Maintenance (Interim report)
- 09/10 NBC 05 Freedom of Information and Data Protection (Follow up)
- 09/10 NBC 06 VAT (Follow up)

2009/10 Fieldwork completed

We have completed our fieldwork in the following areas:-

- Legal services
- Risk Management and Business Continuity Arrangements

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 Support 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 extracts

5.2 Other individual internal audit reports are available if required.

Chris Dickens
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