
REPORT TO:	AUDIT SUB COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	25th September 2008	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	TONY STAMPER (595706)	DOC:
SUBJECT:	Summary of Internal Audit reports 2008/09 (June – August).	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 The Committee is asked to consider the Summary of Audit Reports and to make recommendations to Finance and Management Committee.

2.0 Purpose of Report

- 2.1 In accordance with the terms of reference to provide members with information on specific Internal Audit reports.

3.0 Executive Summary

- 3.1 In respect of the audit work undertaken, this report summarises recommendations, categorised as high, from individual audit reports. Internal Audit provides assurance that the Council's key financial systems can be relied upon and that a sound system of internal control exists.

4.0 Detail

- 4.1 The Internal Audit team carries out audit work in accordance with the Council's Strategic Audit Plan.
- 4.2 Reports and memorandum are produced for many of the areas of audit work detailing recommendations for improvements in internal control.
- 4.3 Recommendations are categorised dependent on the degree of risk identified.
- 4.4 Managers agree the recommendations and their implementation is planned.
- 4.5 A summary of reports, recommending improvements to potential high-risk control weaknesses, is attached (Appendix 1). The summary also includes, when appropriate, progress on the implementation of recommendations previously reported and any related detailed reports requested by Members.

4.6 During this period Internal Audit has undertaken work on:

- a. NNDR – A system audit has been undertaken on the new *Academy* Revenue system. The majority of system day to day controls are in place and operating correctly. However some problems have been encountered with the management control information and access rights, this is being examined in more detail and will be the subject of a separate report.
- b. Bank Reconciliation – The Bank and Cheque reconciliation processes have been examined.
- c. Budgetary Control – The budget setting and control systems have been audited.
- d. Main Accounting – The system has been evaluated.
- e. Treasury Management – a system audit is in progress
- f. Housing Benefits – An audit on the benefits function and the academy computer system has commenced.
- g. Computer Audit work has been undertaken on the network.

The service has given advice on security, control and corporate governance issues.

4.7 The Internal Audit Service has completed 20.16% of the planned audit days up to the end of June 2008. This is slightly less than anticipated as a result of illness. This is the first time, for well over a decade, that a member of the team has needed extended sick leave.

4.8 A more detailed analysis of the first quarter's progress against the various elements of the Audit Plan is attached at Appendix 2.

5.0 Financial Implications

5.1 None stemming directly from this report.

6.0 Conclusions

6.1 Internal Audit reporting is a key process in ensuring the Council's internal control framework has effective systems to safeguard both the services and finances of the Council.

7.0 Background Papers

7.1 None