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<b>REPORT TO:</b>	<b>AUDIT SUB COMMITTEE</b>	<b>AGENDA ITEM:</b>
<b>DATE OF MEETING:</b>	<b>27<sup>th</sup> February 2008</b>	<b>CATEGORY:</b> <b>RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF CORPORATE SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>TONY STAMPER (595706)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Summary of Internal Audit reports 2007/08 (December – January).</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

1.1 The Committee are 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 are planned.

4.5 A summary of reports, recommending improvements to potential high-risk control weaknesses, is attached (Appendix 1).

**There are no reports during this period that meet the reporting criteria.**

4.6 The summary also includes, when appropriate, progress on the implementation of recommendations previously reported and any related detailed reports requested by Members.

4.7 During this period Internal Audit has undertaken work on:

- a. Members Allowances – All Members' monthly claims for the current year have been examined. There are no major control concerns and minor issues have been dealt with during the course of the audit. It is pleasing to report that the scheme is being administered in accordance with the current regulations.
- b. Rosliston Forestry Centre – retail shop stock-taking and trading accounts. Café stocks, valuations, temporary arrangements and subsequent transfer to new tenant.
- c. Bank Reconciliation – procedures for cancelled cheques and BACS payments for new revenue system payments.
- d. Transport and Vehicle workshops – fuel management, road fund licensing, MOT certification, insurance, vehicle and plant inventories, service user satisfaction, servicing, maintenance and repairs, fleet management records and utilization. No major weaknesses were found during this audit. All recommendations are classed as low and/or medium category and certain issues were dealt with during the course of the audit.
- e. Transport financing – currently being undertaken.
- f. Housing Benefits – changes for audit testing schedules and system notes for new benefits system. Reconciliation of old and new systems.
- g. Land Charges – preliminary planning for audit currently being undertaken.
- h. Security – alarm system documentation and key management.

A number of investigations are being undertaken. The team has received initial training in the use of the new Academy revenue system and given advice on control and corporate governance issues.

4.8 The Internal Audit Service has completed 66.7% of the planned audit days up to December 2007 and should meet the target of 90%.

## **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