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<b>REPORT TO:</b>	<b>AUDIT SUB COMMITTEE</b>	<b>AGENDA ITEM:</b>
<b>DATE OF MEETING:</b>	<b>18<sup>th</sup> June 2008</b>	<b>CATEGORY:</b>
		<b>RECOMMENDED</b>
		<b>OPEN</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF CORPORATE SERVICES</b>	
<b>MEMBERS' CONTACT POINT:</b>	<b>TONY STAMPER (595706)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Summary of Internal Audit reports 2008/09 (February – May).</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 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. Council Tax – A system audit has been undertaken on the new *Academy* Revenue system. In particular the control management information and the conversion from the old system has been examined.
- b. NNDR – as for Council Tax.
- c. Rosliston Forestry Centre – Water losses at the centre have been investigated and a proposal to improve the supply network is being implemented.
- d. Payroll – A system audit has been undertaken covering all payments to staff and members.
- e. Bank Reconciliation – The reconciliation between the ledger and cash book has been examined.
- f. Transport financing – control over the financing of the Authority's vehicle fleet has been examined.
- g. Partnerships – audits have been completed on the Local Area Agreement, Waste Performance Efficiency Grant and the Climate Challenge Fund.
- h. Land Charges – A routine audit has been completed of the Authority's property search system.
- i. Security – Internal theft has been investigated.
- j. Specialist Computer Audit work has been undertaken on the network and operating systems

A number of investigations are being undertaken and the service has given advice on control and corporate governance issues.

4.7 The Internal Audit Service has completed 90.63% of the planned audit days up to the end of March 2008 and has met the target of 90%.

4.8 A more detailed analysis of progress against the various elements of the Audit Plan will be provided from September 2008.

## 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