Internal Audit
Audit Sub-Committee – Specific Audit Report Summary – A2

Type: System   **SUBJECT: Rent**   Date: July 2007

Introduction

The rent accounting function is administered using the Orchard computer system introduced during 2004/05. In March 2007 the Authority had 3,121 properties for housing rental with a total annual debit of £8.5m.

Scope and Coverage

The audit review was undertaken using the systems-based auditing approach, identifying the system and controls, evaluating and testing in relation to the system objectives.

All documentation has been updated as appropriate. Findings, conclusions and recommendations have been discussed with management prior to being included in a formal report or memorandum.

The following areas were examined, stock control, rent debit, payments, write-offs, refunds, voids, arrears and recovery.

Recommendations

High/Significant risk recommendations - none

There were several items dealt with during the course of the audit and one medium risk recommendation. All have been agreed and Management are implementing these.

System Control assessment

Problems existed in previous years regarding reconciling the new system. The Orchard system produces periodic control summaries, at year-end these are transcribed to an excel spreadsheet which is used to produce the final rent accounting entries for the ledger. The 2006/07 movement on the rent system has been verified to this spreadsheet, however certain prior year balances could not be fully reconciled although the differences are not significant. There is a need to fully understand the control information and introduce periodic balancing of the system. Internal Audit intends to examine this in detail with the Housing department in the near future. The level of internal control is improving with no major control weaknesses identified within this audit.