

Report to: Audit Committee
Date: 17th January 2008
Report of: Gordon Fletcher, Audit Manager
Subject: Internal Audit Progress Report - 2007/2008
Ward: All

1 Purpose of the Report

1.1. The purpose of this report is to update the Members as to the progress made completing the 2007/2008 Internal Audit plan. This is the third report for this year, and covers the months October to December 2007.

2. Consultation

2.1. In preparing this report I have consulted with:
Senior Auditor
Head of Financial Management.

3. Background

3.1 It was agreed that the Audit Manager would report to the Audit Committee on the progress of audit work throughout the year. This is a process that has been commended by the Audit Commission, following previous annual assessment of the Council's Internal Audit Section.

4. Position Statement

4.1. Appendix 1, summarises the planned audit work completed by Internal Audit for the period. The aims and objectives of the audit are shown, along with the conclusions, and any recommended actions agreed with the auditee.

4.2. Appendix 2 shows a list of the planned audit work currently in progress, which will be carried forward to the next quarter.

5. Implications

5.1. Legal Implications.

It is a requirement of law that the Council maintains an adequate and effective Internal Audit service.

5.2. Financial

There are no direct financial implications for the Council as a result of this report.

5.3. Policy

There are no direct policy implications for the Council as a result of this report.

5.4. Risk

There are no direct risk implications for the Council as a result of this report.

5.5. Communications

There are no direct communications implications for the Council as a result of this report.

6. Corporate Implications

6.1. Corporate Plan and Priorities

Priority 2 – Striving for excellence in the workplace.
SFE2 – To develop the capacity to achieve in the organization.

6.2. Equality and Diversity

There are no direct implications.

6.3. E. Government

There are no direct implications.

6.4. Procurement

There are no direct implications.

6.5. Performance Management and Scrutiny

This will help towards the delivery of the completion of the work of the Internal Audit Annual Plan.

6.6. Sustainability

There are no direct implications.

6.7. 'Well being powers'

There are no direct implications.

6.8. Human Resources

There are no direct implications.

6.9. Crime and Disorder

There are no direct implications.

6.10. Human Rights

There are no direct implications.

6.11. Social Inclusion

There are no direct implications.

7. Recommendation

7.1 Members are asked to note the information contained within the report.

8. Background Papers/Documents Referred to in Preparing this Report

8.1 Internal Audit reports.

Internal Audit time sheets.

Completed audit work for the period ending December 2007

Benefits - (Fundamental systems audit carried out every year)

Aims and Objectives:

To test the key controls within the Benefits System in order to provide an opinion as to whether they are adequate and operating effectively within a controlled environment.

Conclusions:

The testing carried out showed that other than a weakness found relating to access to parameter files the system was operating satisfactorily.

Recommendations:

Access to the system parameter files should be limited to only those members of staff with a need to access them (i.e. Benefits manager, Principle Benefits Officer, and the relevant officer of IT.)

NNDR – (Fundamental systems audit carried out every year)

Aims and Objectives:

The main objectives of the audit were to examine and test the key controls of the system and to seek assurance that the council has a complete, accurate and up to date list of non-domestic properties.

Conclusions:

The system is quite strong and the staff involved in the process are experienced in its administration, however, the recommendations below will improve the internal controls with regard to the protection of system parameter files.

Recommendations:

System parameter files should not be available to members of staff who deal with the NNDR on a daily basis.

Home repair assistance and Disability Facilities Grants - (2 year audit)

Aims and Objectives:

To ensure that all grants are properly approved, meet the statutory requirements and all relevant documentation is evidenced.

Conclusions:

The processing of Home Repair Assistance and Disabled Facilities Grants and the partnership with Care and Repair (Easington) is working well. However, the implementation of the recommendations will improve the internal controls in place.

Recommendations:

Provide written guidelines and procedure notes for the processing of the grant claims. Ensure that the correct numbers of estimates are obtained and if this is not possible a note should be made on file to explain why this has not been possible.

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Hackney Carriages - (3 year audit)

Aims and Objectives:

To test the controls within the systems of Hackney Carriages and Private Hire Licensing in order to provide an opinion as to whether they are adequate and operating effectively within a controlled environment.

Conclusions:

The tests showed that the internal controls were working effectively.

Recommendations:

There were no recommendations for this audit.

Data Quality (performance Indicators) - (other systems audit)

Aims and Objectives:

The Council is reviewed by the Audit Commission to ensure that the Performance Indicators (PI) are prepared and published in accordance with the procedures.

The Council have their own arrangements for ensuring that the data provided for the PIs and these have been reviewed by Internal Audit.

Conclusions:

Whilst Internal reports are produced by the Corporate Development Team for every PI examined and its findings, there were no formal reports on the quality of the data to the Audit Committee during 2006/2007.

However, reports are submitted every quarter to the Audit Committee and Management Team relating to the actual PIs during the period.

Recommendations:

As it is becoming an essential role for Data Quality to be identified and assessed as a risk corporately, it is important that this area is reported on formally.

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APPENDIX 2

Ongoing audit work:

Capital Accounting

Cash/Bank

Assisted Car Purchasing

Recruitment and Selection