



Report to: Audit Committee

Subject: Summary of Audit Activity

Date: 27th September 2011

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1. PURPOSE OF REPORT

To summarise the outcome of Internal Audit activity for the period July to September 2011.

The report will highlight all final reports issued and associated key findings, concerns identified in any work in progress, details of liaison with management and External Audit and provide details of any changes to the Annual Audit Plan.

2. SUMMARY OF INTERNAL AUDIT ACTIVITY

Final Reports Issued

The following reports have been finalised for the period July – September 2011.

- IAR1112-04 Performance Indicator's
- IAR1112-09 Debtors
- IAR1112-10 Housing Benefits

IAR1112-04 Performance Indicators

The purpose of the review was to confirm the accuracy of a sample of performance indicators reported via the Council's performance management system, Covalent. The scope of the review encompassed 4 local indicators, 018 and 048 (relating to the timely payment of invoices), 052 (effectiveness of contact centre responses) and 092 (effectiveness of complaints handling). In addition the review considered national indicator 157 (effective processing of planning applications).

The report provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. One medium and one low risk recommendation were made.

The medium risk recommendation relates to LI052. The calculation for this indicator is currently based on a 12 month rolling figure, whilst the definition in Covalent is a quarterly total. The Covalent definition has now been changed to reflect the actual calculations performed.

IAR1112-09 Debtors

The review provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. One medium and five low risk recommendations were made.

The medium risk recommendation relates to the requirement to undertake a 5% sample check of invoices raised to supporting documentation. The sample check had not been undertaken from April-June 2011. This was predominantly due to resource constraints experienced during the period due to the migration of the system from Rushcliffe Borough Council back to an in-house system. The sample checks have now been recommenced.

IAR1112-10 Housing Benefits

The report provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed.

Six low risk recommendations were made, two of which relate to partially implemented recommendations made in the previous audit report (IAR1011-11).

Work in Progress

The following reviews are currently in progress or are at draft reporting stage:

- IAR1112-05 - Bar Stock
- IAR1112-08 - Car Parking (Penalty Charge Notices)
- IAR1112-11 - Sickness Absence Procedures
- IAR1112-12 - Council Tax
- IAR1112-13 - Non Domestic Rates (NDR)
- IAR1112-14 - Payroll

The review of Sickness Absence procedures is currently at draft reporting stage, awaiting management response to the audit findings and recommendations. The review identified a number of significant issues including concerns regarding failure and/or inconsistency in the application of

procedures across the Council and a lack of corporate monitoring and ownership of the process.

There have been no changes to the 2011-12 audit plan since its approval.

4. RECOMMENDATION

The Audit Committee are asked to note the report and in particular that the level of assurance provided in each audit assignment will be taken into account when Internal Audit provide an overall opinion on assurance in the Annual Report at the end of the financial year.