

Report to Audit Committee

Subject: Summary of Audit Activity

Date: 16th December 2014

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1. Purpose of the Report

To summarise the outcome of Internal Audit activity for the period October to December 2014.

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. Background

The report highlights 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.

3. Summary of Findings

Final Reports Issued

The following reports have been finalised for the period October – December 2014.

- IAR1415-04 Banking
- IAR1415-05 Creditors
- IAR1415-06 Debtors

IAR1415-04 Banking

The report provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. Three low risk recommendations were made. These relate to procedural issues with respect to type of expenditure procured via credit cards and full completion of supporting documentation. User guidelines have been reissued.

IAR1415-05 Creditors

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 three low risk recommendations were made. The medium risk recommendation related to inaccurate records within the system with respect to new supplier details. System consultants have now amended the reports and it can be confirmed that new supplier details are correctly held on the system.

IAR1415-06 Debtors

The report provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. Four low risk recommendations were made. Three of these relate to procedural documentation which requires amendments to reflect current procedures. Two similar recommendations were made in the previous report, and had been partially (mainly implemented), however, further slight amendments to procedures have been implemented requiring the recommendations to be reiterated in the current report. The final recommendation relates to the need to undertake timely system reconciliations. Whilst all reconciliations had been undertaken and appropriately reviewed and authorised with no errors identified, 2 out of the 5 reconciliations reviewed had been slightly delayed (May and June undertaken in August).

Work in Progress

Audit fieldwork and testing has been completed for the Housing Benefit process. A draft report is being prepared for management consideration. In addition a review of the risk management process has been completed and, again, the draft report is awaited.

4. Resource Implications

To be delivered within existing budgets.

5. Recommendation

Members are requested to note the report.