

Report to Audit Committee

Subject: Summary of Audit Activity

Date: 25th March 2015

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1. Purpose of the Report

To summarise the outcome of Internal Audit activity for the period January to March 2015.

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 January – March 2015.

- IAR1415-08 Housing Benefits
- IAR1415-11 NDR
- IAR1415-12 Council Tax
- IAR1415-14 Lending & Borrowing

IAR1415-08 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. Two medium and four low risk recommendations were made. The medium risk recommendations relate to a lack of independent and timely review of write off and payment reports. Resource was identified as a key factor in these issues, both of which will be addressed via the completion of a staffing structure review.

IAR1415-11 NDR

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were made relating to low risk procedural issues with respect to signatures and dates on reconciliations and outdated procedural documents.

Several areas of good practice were identified including:

- All refunds are processed immediately once all appropriate supporting documentation has been received and reviewed.
- All exemptions and reliefs were applied upon receipt of appropriate supporting documentation.
- Recovery action taken within the year was in accordance with the Council's Fair Collection and Debt Recovery Policy.
- Valuation Office Agency schedules are reviewed on a weekly basis, with the Civica System updated with any amendments.

IAR1415-12 Council Tax

The report provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. Two low risk recommendations were made relating to minor procedural issues.

IAR1415-14 Lending & Borrowing

The report provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. No audit recommendations were made.

Work in Progress

Audit fieldwork and testing has been completed for the Payroll, Officer and Member Disbursements, Cash Receipting and Financial Management System reviews. Draft reports are being prepared for management consideration. In addition a review of the risk management process has been completed and, again, the draft report is awaited.

Audit fieldwork and testing is underway with respect to reviews of income within Direct Services and the HR starters and leavers processes. Completion of these reviews and issue of reports will complete work scheduled as part of the 2014-15 annual audit plan, with no reviews scheduled to be carried forward to 2015-16.

4. Resource Implications

To be delivered within existing budgets.

5. Recommendation

Members are requested to note the report.