

## **Report to Audit Committee**

**Subject: Summary of Audit Activity**

**Date: 23<sup>rd</sup> June 2015**

**Author: Service Manager – Audit & Asset Management**

### **1. Purpose of the Report**

To summarise the outcome of Internal Audit activity for the period April to June 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 April – June 2015.

- IAR1415-07 Financial Management System (FMS)
- IAR1415-09 Officer & Member Disbursements
- IAR1415-10 Payroll
- IAR1415-19 Cash Receipting

#### IAR1415-07 FMS

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, both of which were implemented with immediate effect.

#### IAR1415-09 Officer & Member Disbursements

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 low risk procedural issues with respect to countersigning claims and communication of expense rates.

Several areas of good practice were identified including:

- All claim forms are processed within the payroll department in a timely manner once received by the officers to ensure payment is received by Members and employees in a timely manner.
- The Council have established an Independent Remuneration Panel in line with legislative requirements and have published details of Members allowances in accordance with legislation.

#### IAR1415-10 Payroll

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 recommendations were made.

#### IAR1415-19 Cash Receipting

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 two low risk recommendations were made. The two medium risk recommendations relate to countersignatures in relation to cash machine floats and replenishments.

## **Work in Progress**

Audit fieldwork and testing has been completed for the review of Waste Income. The draft report highlighted one high, four medium and one low risk recommendation. The medium risk recommendations relate to a lack of an up to date Trade Waste policy and supporting procedures and also a lack of effective management information and monitoring in respect of arrears management.

Due to the nature of the risks highlighted in the report, the level of assurance provided will be limited. The draft report has been issued and Internal Audit are currently awaiting final agreement on the response and action to one of the recommendations.

The final report will be submitted to the Audit Committee for consideration.

Completion of this review and issue of the report 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.