

AUDIT SERVICES MONITORING REPORT: SECOND QUARTER 2006/07

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1.0 AUDIT WORK IN THE SECOND QUARTER 2006/07

1.1 Final reports issued

- Travel and Subsistence Claims 2005/06
- Liquor Licensing 2006/07
- Capital Accounting 2006/07
- Final Accounts Process 2006/07
- National Non Domestic Rates 3 Grant Claim 2005/06
- Bereavement Services (Regularity & Code of Practice) 2006/07
- Council Tax 2006/07

1.2 Issues arising

The key recommendations are given in Appendix A.

The main issues related to:

Travel & Subsistence Claims

- the need for Managers to check that employees using their own car on Council business have cover for business use on their motor insurance policies and that they have a valid driving licence.

Liquor Licensing

- the need to improve the audit trail through the cash receipting system, so that fees received by the Legal Services section could be fully reconciled to the main accounting system.

National Non Domestic Rates [NNDR] Grant Claim

- the need to timetable deadlines, compile written procedures, give the relevant training and to not place sole reliance on computerized calculations but to check for reasonableness. [Responsibility for compiling the claim had changed to a different officer]

Bereavement Services

- an action plan to bring the service in line with the Charter for the Bereaved has been incorporated in the Bereavement Services Strategy, reported to the OSC Environment on 4 September 2006.

Council Tax

- carrying out more supervisory spot checks, checking the review of discounts and exempt properties and monitoring performance on change of circumstances. [Some officers were now working on both Council Tax and Benefits and, coupled with sickness and holidays, it was taking longer in the first quarter to process Council Tax change of circumstances. However, this could have been a temporary dip due to the sickness and holidays.]

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1.3 Follow-up audits

- Wages 2005/06
- Council Tax 2005/06
- Benefits 2005/06
- Cash Receipting 2005/06
- Best Value Management System 2005/06
- Sundry Debtors 2005/06

A running progress report is kept of all Priority 1 and 2 recommendations outstanding, since the first formal follow-ups were carried out in January 1997. Details of these are given at Appendix B.

1.4 Issues arising from outstanding recommendations

- The implementation of recommendations is still being slowed down by competing priorities and the delay in recruiting some posts. However, progress on implementation of some long-standing recommendations has been made.

2.0 EXTERNAL AUDIT

- 2.1 The Governance Report 2005/06 was reported to the Audit Committee on 28 September 2006.

3.0 INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN 2006/07

- 3.1 Internal Audit achieved 83% of planned audit work as at 30 September 2006, compared to the target of 90%. A summary of the audit performance measures for the first quarter is attached at Appendix C.

4.0 STAFFING ISSUES

- 4.1 The Senior Auditor resigned, with effect from 1 October 2006. The loss of this experienced officer will seriously impact on performance and efforts will need to be concentrated on completing the audits of the main financial systems. Other audits will be deferred until these are completed.

5.0 OTHER AUDIT WORK

- 5.1 The audit section also undertook work in the second quarter on:-
- IT Network Controls [draft report to be submitted to IT User Group]
 - Freedom of Information Process
 - Cash Receipting
 - Implementation of the M3 computer system for Planning

Final reports for these audits will be issued in the third quarter.

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6.0 CONCLUSION AND RECOMMENDATION

- 6.1 Audit work is progressing in line with the plan but there is some slippage. This is due to a combination of factors: a newly recruited part time Audit Technical Officer in May 2006, delays in being able to start some audits and in finalising audit reports because of the availability of the departmental officers concerned.
- 6.2 It is recommended that Members note this report.

List of Appendices: [Appendix A – Key Findings Quarter 2 2006/07](#)
[Appendix B – Outstanding Key Recommendations](#)
[Appendix C – Performance Indicators for 2nd Quarter](#)

Background papers: Audit Plan file 2006/07: Audit systems files

Officers Consulted: Corporate Team

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