



## AUDIT COMMITTEE REPORT

<b>Report Title</b>	Internal audit progress report
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**AGENDA STATUS: PUBLIC**

<b>Audit Committee Meeting Date:</b>	26 September 2011
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Finance and Support
<b>Accountable Cabinet Member:</b>	Councillor Alan Bottwood

### 1. Purpose

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1.1 To provide the Audit Committee with a report summarising progress made against the approved internal audit plan for 2011/12.

### 2. Recommendations

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2.1 Receive the report.

### 3. Issues and Choices

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#### 3.1 Report Background

##### 3.1.1 Introduction

The report is produced to inform the Committee on internal audit activity in the current year up to the date of the Committee meeting.

### 3.1.2 2010/11 TeamCentral Report

We have included a report in Appendix 1 detailing progress against recommendations raised within our 2010/11 audit work.

### 3.1.3 2011/12 Plan Outturn

We have undertaken work in accordance with the 2011/12 Internal Audit Plan which was presented to the Audit Committee at its meeting in March 2011.

We have issued final reports for the following reviews:

- The void properties review (**11\_12 NBC Voids 02**) focussed on controls in place over the management of void council houses. The review focussed on void operational management, void management information and cost control. We identified seven findings, one of which was deemed to be high risk. We identified that management information on voids is undermined because data on the Integrated Business Solutions (IBS) housing system is wrong in a number of cases and unlettable periods have been calculated incorrectly. This makes the Council's performance look better than it actually is. The root cause is that IBS is not updated fully when properties become lettable following unlettable periods, such as when major works have occurred.

Our overall report classification for voids was **high risk**.

- The recruitment review (**11\_12 NBC Recruitment 03**) focussed on recruitment guidance and support, vacancy advertising and the selection process. We did not identify any critical or high risk issues. We identified two medium and two low risk issues. The medium risk issues related to
  - policies and procedures required updates to reflect current processes and controls
  - recruitment procedures were not always followed by recruiting managers, which indicated that additional training may be required to reinforce the procedures

Our overall report classification for recruitment was **medium risk**.

We have issued draft reports for the following reviews:

- Risk Management and Business Continuity
- Treasury Management
- Expenses

We have also completed our work on procurement and issued a draft report. The Authority has identified new interim management arrangements for procurement. We anticipate reporting our findings to the next Audit Committee.

## **3.2 Issues**

3.2.1 As detailed in the report

## **3.3 Choices (Options)**

3.3.1 N/a

## **4. Implications (including financial implications)**

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### **4.1 Policy**

4.1.1 No implications other than enabling monitoring of internal audit reporting performance.

### **4.2 Resources and Risk**

4.2.1 Risks may be highlighted as a result of audit issues being reported.

### **4.3 Legal**

4.3.1 N/a

### **4.4 Equality**

4.4.1 N/a

### **4.5 Consultees (Internal and External)**

4.5.1 Director of Finance and Support and Head of Finance.

### **4.6 Other Implications**

4.6.1 N/a

## **5. Background Papers**

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5.1 Appendices to the report

- Appendix 1 – TeamCentral report summary

Other individual internal audit reports are available if required.

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