



Rushcliffe Borough Council

Internal Audit Progress Report 2017/18

Corporate Governance Group

5 December 2017

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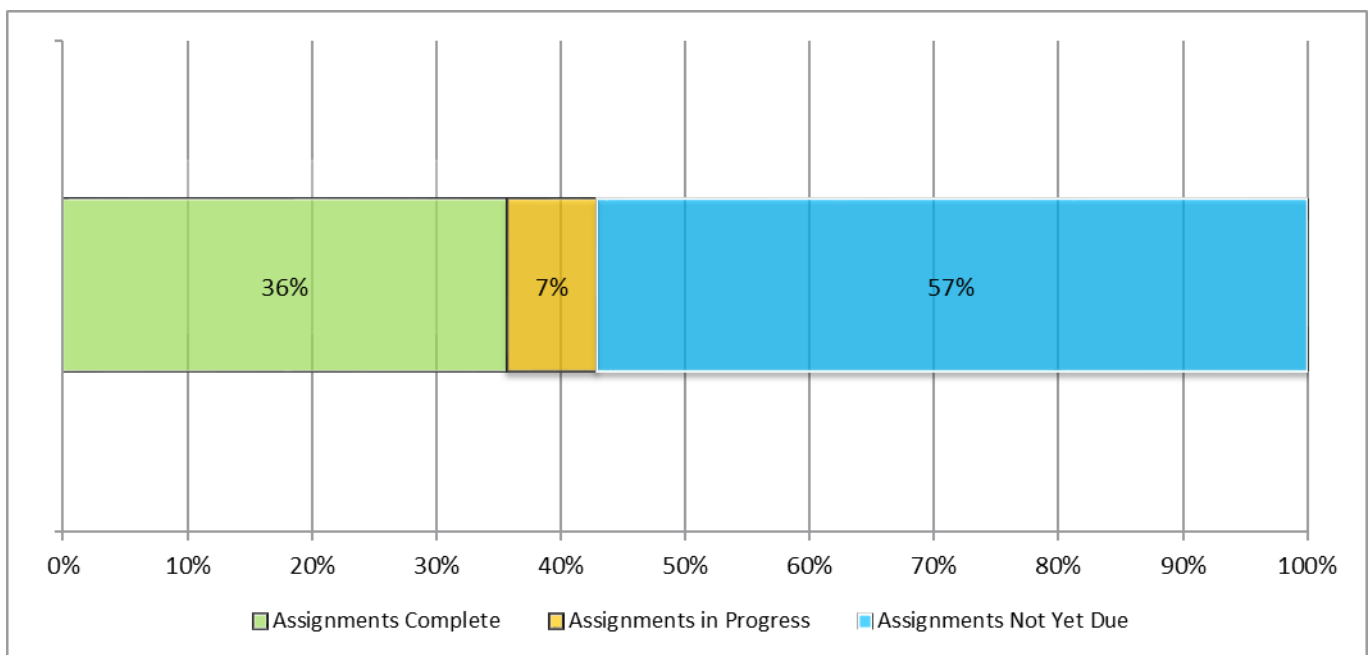
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1 INTRODUCTION



The Internal Audit Plan for 2017/18 was approved by the Corporate Governance Group on 11 May 2017 and includes a total of 14 planned reviews.

This report provides a summary update on progress against that plan and summarises the results of our work to date



2 REPORTS CONSIDERED AT THIS CORPORATE GOVERNANCE GROUP

This table informs of the audit assignment that has been completed since the last Corporate Governance Group. The Executive Summary and Key Finding of the assignment below are attached to this progress report.

Assignment	Status	Opinion issued	Management Actions agreed		
			H	M	L
Garden Waste (01.17/18)	Final		0	1	5
Review of the Arena Project (02.17/18)	Final	Advisory	0	0	1
Procurement of IT Equipment (03.17/18)	Final		0	0	1

2.1 Impact of findings to date



Garden Waste (01.17/18)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one medium and five low priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority finding relates to:

- Reconciliations are not performed to verify the number of stickers held in stock to the number of stickers issued or income received.
-



Review of the Arena Project (02.17/18)

Conclusion: Advisory Review

Impact on Annual Opinion: n/a

As a result of testing undertaken, one low priority finding was identified and a management action was agreed in respect this finding.



Procurement of IT Equipment (03.17/18)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one low priority finding was identified and a management action was agreed in respect this finding.

3 LOOKING AHEAD

Assignment area	Planned Commencement Date	Status
Payroll	30 October 2017	Draft Report Issued
Country Park	6 November 2017	Draft Report Issued
Data Protection	4 December 2017	In Progress
Housing Benefits	11 December 2017	Planning Stage
Corporate Governance	8 January 2018	Planning Stage
Creditors and E Procurement	29 January 2018	Planning Stage
Contract Management	12 February 2018	Planning Stage
Main Accounting	19 February 2018	Planning Stage
Follow Up	19 February 2018	Planning Stage
Allowances	TBC	Planning Stage
IT	TBC	Planning Stage

4 OTHER MATTERS

4.1 Changes to the audit plan

There are no changes to the internal audit plan since the previous Corporate Governance Group.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

There have been no reports previously seen by the Corporate Governance Group against the 2017/18 Internal Audit Plan.

FOR FURTHER INFORMATION CONTACT

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GARDEN WASTE - DETAILED FINDINGS

Categorisation of internal audit findings	
Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
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Risk: Green Waste charges are not effectively managed leading to a loss of income.

6	<u>Missing control</u> Reconciliations are performed between the number of stickers issued and the number of stickers held in stock and to income received.	No	-	We were informed by the Customer Services Supervisor and Recycling Officer that there are no reconciliations performed between the number of stickers issued and the number of stickers held in stock at either the Contact Centre or depot. We were not provided with evidence of any income reconciliations. We were informed by the Financial Services Manager that income reconciliations can take place against the invoices raised but as the debtors system records this information and the system will not roll forwards to the following	Medium	Stock and income reconciliations will be performed on a regular basis to confirm that the number of stickers held in stock and value of payments received is as expected.	31 October 2017	Customer Services Manager and Financial Services Manager
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Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>period if it does not balance that a better form of reconciliation could be produced comparing the number of stickers issued with the number of bins that have been paid for to avoid misappropriation of stickers issued</p> <p>There is a risk that discrepancies in stock levels of stickers or in value of payment received are not identified which could result in misappropriation of stickers and financial loss.</p>				