



# AUDIT AND PENSIONS COMMITTEE

22 September 2010

<b>CONTRIBUTORS</b>	<b>Subject</b>	<b>WARDS</b>
Internal Audit Manager	<b>Audit Commission recommendations updates</b>	<b>All</b>

This report updates the Committee on progress towards meeting Audit Commission recommendations

**RECOMMENDATION:**

**That the Committee notes the report.**

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of Holder of File/Copy</b>	<b>Department/ Location</b>
1.	External Audit report recommendations progress update	John Kanés Ext. 2505	Finance, Internal Audit Town Hall King Street Hammersmith W6 9JU

## **Internal Audit**

### **Update on Audit Commission report recommendations**

The table attached as Appendix 1 shows updates on recommendations from Audit Commission reports which have been previously reported. Updates on 4 recommendations have been sought for this report. . Two recommendations have been reported as fully implemented whilst the other two will require further updates at future meetings. We will continue to report progress on all outstanding recommendations at future meetings together with recommendations contained in any newly received reports

Internal Audit has not verified the current position and can therefore not give any independent assurance in respect of the reported position in any updates that are received.

The Pensions and Audit Committee is invited to note the updates provided by operational management.

Report	Recommendation/Areas of Improvement	Initial response	Responsible Officer	Position previously reported to Audit Committee	Current Position Updates provided August 2010
<b>08-09 Annual Governance Report</b>					
	<b>R3</b> Establish a policy for the write off of penalty charge notices.	To be established by parking officers in conjunction with their finance team.	Director of Environment and Assistant Director of Finance and Resources – Environment	Draft completed and to be submitted to cabinet member by end of July	<i>A draft policy is to be submitted for consideration by the Financial Strategy Board and then to the appropriate cabinet member.</i>  <b>Further update to be provided to next meeting</b>
<b>Interim Audit Report 2008-09</b>					
<i>Payroll</i>					
	<b>R10</b> Consider introduction of a second check to ensure information entered into the payroll system based on starter forms is accurate.	Feasibility to be discussed further with payroll section. <b>{Target November 2009}</b>	Assistant Director Human Resources	Feasibility still being discussed with payroll section.  This will be considered as part of a review of payroll procedures – timescale to be agreed with AD (HR).	<i>A new team (Pay and Conditions) has been created to be the single point of contact overseeing new starter documentation and accuracy on the Trent system. In place since 1<sup>st</sup> June 2010.</i>  <b>This recommendation is now closed and no further updates will be reported.</b>

Report	Recommendation/Areas of Improvement	Initial response	Responsible Officer	Position previously reported to Audit Committee	Current Position Updates provided August 2010
<b>Grants 2008-09</b>					
<i>New Deals for Communities</i>					
	<b>R9</b> Review the NDC asset register to ensure it only records expenditure which is capital in nature, over the de minimis of £5,000 and is clearly traceable to a tangible asset.	It is agreed that improvements need to be made to ensure that the NDC asset register is maintained in accordance with CLG guidelines. Guidance has been drafted by the departmental finance officer responsible and this will be reviewed by corporate finance colleagues and an Audit Commission view sought before implementation to correct the register for 2009/10. ( <b>Target March 2010</b> )	Housing Finance Manager	It has been agreed with the NDC that the areas of improvement will be implemented. The timeline for achieving this has been pushed back to end of June 2010 as a result of the closing of accounts process.	The NDC asset register has been reviewed and updated in line with the recommendation. This will now be passed to corporate finance colleagues and the Audit Commission for review before implementation.  <i>Further update to be provided to next meeting</i>
	<b>R10</b> Quality-check working papers to support eligible expenditure prior to submission to auditors.	Working papers supporting eligible partner expenditure will be subject to a more robust review prior to submission to the auditors. Submissions will also include providing clear reconciliations, and an explanation demonstrating eligibility. Any such working papers not meeting the standard will be corrected before submission. Guidance will be issued and agreed with the relevant finance officers (Council and NDC). ( <b>Target March 2010</b> )	Housing Finance Manager	The NDC have made arrangements with all partner organisations to ensure that working papers of a satisfactory quality are submitted for all projects. Sample checks will be carried out by Council finance officers by the end of May on partners' working paper submissions to ensure that the improvements are being delivered prior to the AC deadline for submission of the 9/10 SGE at the end of September.	Sample checks (in accordance with the guidance on quality working papers) are currently being carried out by Council finance officers as part of the preparation of the 2009/10 grant claim, prior to submission to the Audit Commission at the end of September. Any working papers not meeting the standard will be corrected before submission, and further sampling carried out if necessary.  <i>This recommendation is now closed and no further updates will be reported.</i>