

APPENDIX 5



Internal Audit Report

Final

Development Services

Interim Audit: Review of Purchasing

November 2008

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1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of purchasing for Development Services as part of the 2008/09 Internal Audit programme.

2 AUDIT SCOPE AND OBJECTIVES

The scope of this review is limited to the Internal Control Questionnaire (ICQ) issued to the relevant department contact for completion.

The broad objectives of the review were to ensure:

- General procedures are in place;
- Controls are in place with regard to ordering and receipting goods;
- That invoice checks take place;
- Data is held securely;
- Financial regulations detail the process for purchasing.

3 CORPORATE GOVERNANCE

There are no Corporate Governance issues to be reported as a result of this audit.

4 MAIN FINDINGS

Internal Audit referred to the Council Constitution and the Development Services System Support Officer to gain evidence of the answers provided in the ICQ.

It was found that the procedures are being strengthened and increased awareness is required.

It was also found that the department rely on the list of authorised signatories held within the Creditors section. A list should be maintained within the department.

It was found that budget holders should be reminded that they need to be aware of their budget when planning orders.

5 RECOMMENDATIONS

Four recommendations were identified as a result of the audit, 3 with medium priority and 1 with low priority. The recommendations are shown in the action plan below.

6 AUDIT OPINION

The auditor is satisfied that the section has answered the ICQ in an appropriate manner. Based on the findings we can conclude that the department in the main is following corporate procedure. Strengthening and increased awareness of the procedures would lead to a more consistent approach and stronger system.

Recommendations that occurred from the audit work should be implemented in accordance with the agreed responsible officer and timescale. Recommendations not implemented by the agreed date will require explanation to the Audit Committee possibly leading to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

7 ACKNOWLEDGEMENTS

Thanks are due to the Performance and Support Services Manager and the System Support Officer for their co-operation and assistance during the Audit and the preparation of the report and action plan.

Our work was limited to the scope and objectives in section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

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APPENDIX 2 ACTION PLAN

No.	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
1	There is a plan to create more detailed procedures.	Medium	A master file should be created and issued to the appropriate officers within Development Services.	System Support Officer	Purchasing Procedure to be issued by 31.12.08
3	Budget holders are not required to ensure that proposed orders do not exceed their approved budget.	Medium	Budget holders should be reminded - they are responsible for their own budgets and - to be aware of their budget when planning orders.	Director of Development Services	30.11.08
4	Development Services is a small service and segregation of duties is not always possible.	Medium	Development Services should consider where Segregation of Duties is not possible and assess how to minimise.	Director of Development Services	ASAP after appointment of Head of Economic Development and Transportation, but by 31.03.09