

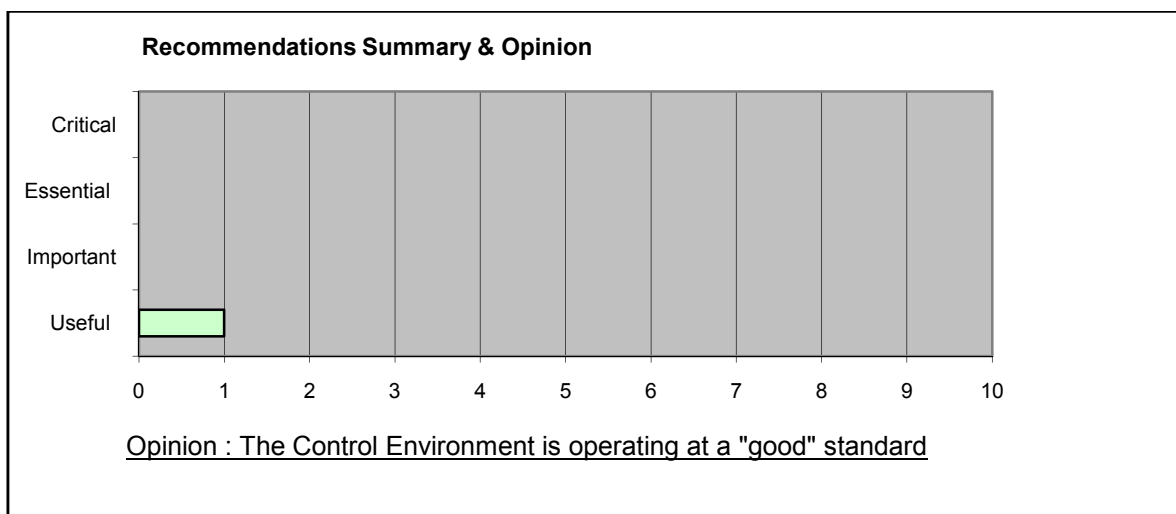


Independent Assurance

Internal Audit Report



Selby District Council N.Y. Building Control Partnership September 2011 Final



Auditor: John Madin
Audit Manager: Alison Newham
Ref: 9/4610

Circulation list: L Chapman – Head of Building Control

Final only to:
P Cresswell: Corporate Director (s151), RDC
K Iveson: Executive Director (s151), SDC
N Edwards: Head of Finance & Asset Management, SBC
D Simpson: Head of Service – Resources, HDC

CONFIDENTIAL

Executive (or Management) Summary

1. INTRODUCTION / key facts

- 1.1 The N Yorkshire Building Control Partnership [NYBCP] was established in 2001 to provide building control services to Ryedale & Selby District Councils. In subsequent years Hambleton and Richmondshire District Councils, and Scarborough Borough Council joined the partnership.
- 1.2 Ryedale DC is designated as the “host” council and as such they provide accountancy services to the partnership.
- 1.3 The current partnership agreement continues until 31st March 2012 and thereafter from year to year subject to 12 months written notice from any of the councils.
- 1.4 The main function of the partnership is the processing of building regulation applications in line with the Building Act 1984.

2. SCOPE OF THE AUDIT

- 2.1 The scope of the audit was to ensure that:
 - ~ All fees are correctly made, charged in all circumstances and recorded correctly in the accounts, including treatment of VAT;
 - ~ Controls ensure that payment is received for all works carried out;
 - ~ All tasks are carried out and within statutory time-scales;
 - ~ Expenditure is properly authorised, within budget limits and appropriately recorded in the accounts;
 - ~ The system is secure;
 - ~ Applications are processed in accordance with the partner Authorities’ policies and government legislation.
- 2.2 The audit undertook to examine, test, evaluate and report upon the systems and controls operated by the partnership’s staff during the period July 2010 to June 2011.

3. FOLLOW UP FROM PREVIOUS AUDIT REPORT

- 3.1 The last audit in 2010 identified that the systems in place were generally found to be working well. A similar standard is seen at this audit and categorised as “Good”.

4. CONCLUSION, AUDIT OPINION AND RECOMMENDATIONS

4.1 The findings and associated recommendations, with priority ratings, are found in the Recommendation and Action Plan (section 5.0):-

Critical	implement immediately	
Essential	implementation agreed to be within	0 – 1 month
Important	-	0 – 6 months
Useful	-	0 – 12 months

4.2 Overall the controls and systems in place see a Good standard (Minimal risk identified; one minor recommendation) being achieved. This opinion is arrived at through an assessment of the overall controls in place and the nature of the recommendation which is ranked as “useful”.

4.3 There are no issues ranked as high or of particular concern to warrant comment other than that in section 5.

4.4 The summary of the report and the recommendations will be reported to the O&S Committee quarterly (N.B. Where there is undue delay in agreeing the FINAL report, the DRAFT will be sent instead).

Recommendations & Action Plan

No.	Finding & Conclusion (risk)	Recommendation	Critical Essential Important Useful	Agreed Management Action	By whom; By when.
R1 Wp 13	<p><u>Budget Monitoring</u></p> <p>Admin Officers record all items of expenditure on the relevant Commitments sheet or sheets that are held in the Budget folder.</p> <p>A review of the control sheets highlighted:</p> <ul style="list-style-type: none"> • 34107 Hired Services – The entry for 4/5/11 has been applied to cost centre 87901 (Operational) however on the control sheets the amount has been split between 87901 & 87902. • 87901/30201 has an entry on the GL for £74.10 relating to IT equipment (ref ce0021712) that is not shown on the 	<p>The control sheets in use for budget monitoring should be reconciled to the General Ledger on a regular basis.</p>	Useful	<p>A system to be established whereby any entries made to the general ledger directly by service units at Ryedale House (eg ITC) will be notified via email to Building Control so that the control sheets can be updated and any journals also to be confirmed by email to Building Control.</p>	<p>LRC/MB/M MC 1.12.11</p>

No.	Finding & Conclusion (risk)	Recommendation	Critical Essential Important Useful	Agreed Management Action	By whom; By when.
	<p>control sheet. 87902/30201 similarly has an entry of £8.23 not shown.</p> <ul style="list-style-type: none"> 87902/35302 & 87902/35302 have journal entries from 1/4/11 not shown on the control sheets. (see also 87901/35201). <p>Risk of budgets being exceeded..</p>				