

NOTTINGHAM CITY HOMES**REPORT OF THE ASSISTANT DIRECTOR OF
FINANCE AND PROCUREMENT****AUDIT COMMITTEE
13 JANUARY 2014****OUTSTANDING AUDIT RECOMMENDATIONS****1 SUMMARY**

- 1.1 To ensure that management actions agreed within final audit reports are implemented within agreed timescales progress updates are obtained from responsible officers on a quarterly basis and documented, alongside the related recommendations, on the Company's Audit Recommendations Register. The audit register is reviewed by EMT on a quarterly basis.
- 1.2 The Audit Committee is required to oversee the timely implementation of all actions agreed by management in response to audit recommendations, in order to fulfil its responsibility to advise the Board on the effectiveness and adequacy of the Company's internal control arrangements.
- 1.3 The audit register includes a total of 29 audit recommendations of which 14 are still outstanding. A summary of the status of all audit recommendations outstanding at the time of the previous Audit Committee meeting is attached as Appendix 1.

2 RECOMMENDATIONS

It is recommended that the Audit Committee:

- 2.1 Review the report and confirm they are satisfied with the progress made by management in implementing agreed actions.

3 REPORT

- 3.1 A summary of the Audit Register was provided to Audit Committee Members on 14 October and included a total of 33 recommendations. Of these recommendations 18 of the agreed management actions were logged as complete, leaving 15 outstanding.
- 3.2 The latest version of the Audit Register includes an additional 14 audit recommendations which, as per the respective Internal audit reports received by the Audit Committee at the previous meeting, were yet to be implemented:
- H&S – Policy and Staff Sickness (9 of 11); and
 - Management of Capital Spend and Programme (5 of 5).
- 3.3 Progress made by responsible officers in implementing audit register recommendations has been good and of the total of 29 recommendations which remain on the register, 15 have been fully implemented. Of the 14

recommendations still outstanding, all 11 have gone beyond their original target dates.

4 FINANCE, LEGAL AND RISK IMPLICATIONS

4.1 Financial Implications

None noted.

4.2 Legal Implications

None noted.

4.3 Risk Implications

4.3.1 The priorities assigned to recommendations by the Company's internal auditors BDO LLP are defined as follows;

- (1) High – Those that failure to address would result in a significant and unacceptable risk to the organisation arising or continuing.
- (2) Medium – Those that failure to address would result in a moderate risk to the organisation arising or continuing or relate to significant best practice improvements.
- (3) Low – Those that failure to address would result in a minor risk to the organisation arising or continuing or relate to moderate best practice improvements.

4.3.2 The 14 outstanding internal audit recommendations included on the Audit Register are split into the following priorities:

Priority Assigned by Internal Audit	Number of Recommendations
High Priority	1
Medium Priority	10
Low Priority	3
TOTAL O/S AUDIT RECOMMENDATIONS	14

4.3.3 Following request by Audit Committee, outstanding audit recommendations has been reviewed with BDO and appendix 2 includes those which BDO have highlighted as requiring management and Committee focus.

4.3.4 None of the outstanding audit recommendations are deemed to significantly affect the 'impact' or 'likelihood' risk factors of any of the risks established in the Company's Corporate Risk Register.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

5.1 The consistent application of recognised control procedures and a robust internal system of control underpins the achievement of the Company's

objectives.

6 EQUALITY & DIVERSITY IMPLICATIONS

- 6.1 Has the equality impact of these proposals been assessed?
 Yes (EIA attached)
 No (this report does not contain proposals which require an EIA)

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 7.1 BDO LLP Internal Audit reports (see paragraph 3.2).
7.2 Outstanding Audit Recommendations: Summary – Appendix 1.
7.4 O/s Audit Recommendations: Highlighted by BDO review – Appendix 2.

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