

NOTTINGHAM CITY HOMES**REPORT OF THE ASSISTANT DIRECTOR OF
FINANCE AND PROCUREMENT****AUDIT COMMITTEE
1 MAY 2013****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 31 remaining recommendations of which 16 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

- 2.1 It is recommended that the Audit Committee 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 14th January and included a total of 38 recommendations. Of these recommendations 16 of the agreed management actions were logged as complete, leaving 22 outstanding.
- 3.2 The latest version of the Audit Register includes an additional 9 audit recommendations made in the following Internal audit reports which were received by the Audit Committee at the previous meeting:
- Cash Collection (5); and
 - Risk Management (4).
- 3.3 Progress made by responsible officers in implementing audit register recommendations has been good and of the total of 31 recommendations which remain on the register, 15 have been fully implemented. Of the 16 recommendations still outstanding, 13 have gone beyond their original target dates.

3.4 Appendix 2 provides a summary of the number of months each audit recommendation has been outstanding since the date the respective audit report was issued. This is split between the length of time up to the initial target date for the implementation of agreed actions and the number of months that target date has now been extended by i.e. up to the current revised target date.

4 OTHER OPTIONS

4.1 Not applicable.

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 RISK ASSESSMENT

6.1 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.

6.2 The 16 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	14
Low Priority	1
TOTAL O/S AUDIT RECOMMENDATIONS	16

Those audit recommendations which have been given the highest priority but which remain outstanding are included in Appendix 3.

6.3 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.

7 VALUE FOR MONEY & EFFICIENCY ISSUES

7.1 Compliance with key controls and procedures is an essential part of delivering efficiency and cost effectiveness.

8 EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 Has the equality impact of these proposals been assessed?
No (report does not contain proposals for significant changes to policies or services)

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

- 9.1 BDO LLP Internal Audit reports (see paragraph 3.2).
9.2 Outstanding Audit Recommendations: Summary – Appendix 1.
9.3 O/s Audit Recommendations: Months Outstanding – Appendix 2.
9.4 O/s Audit Recommendations: Highest Priority – Appendix 3

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