

**Committee:** Performance Select Committee  
**Date:** 27 September 2007  
**Title:** Internal Audit – Creditors & VAT  
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**Agenda Item**

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Item for  
information

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## Summary

A recent internal audit report is attached together with a completed management action plan. This item is included in the agenda in response to Members request that internal audit reports are discussed at the Performance Select Committee.

## Recommendations

That the Creditors & VAT internal audit report and management action plan be noted.

## Background Papers

The Internal Audit Plan for 2006/07.

## Impact

Communication/Consultation	The report has previously been circulated amongst relevant officers
Community Safety	None identified
Equalities	None identified
Finance	There may be financial implications if Creditor payments are mismanaged and if the Council's VAT liability is incorrectly calculated
Human Rights	None identified
Legal implications	There may be legal implications if the Council's VAT liability is incorrectly calculated
Sustainability	None identified
Ward-specific	None identified

Workforce/Workplace	None identified
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### Situation

An internal audit of Creditors & VAT has been carried out as part of the 2006/07 internal audit plan. The report contains recommendations to improve internal control and manage risk. The report was issued to relevant managers in accordance with an agreed protocol. A management action plan was included with the attached internal audit report and has been completed.

The Director of Resources will be present at the meeting to update the Committee on progress towards implementing the recommendations in the report.

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The issues highlighted in the report are not acted upon	<p>3 = Significant Likelihood</p> <p>This report contained a re-iterations of recommendations made during the previous audit as this had not been implemented.</p> <p>Given the current staffing situation in Finance, implementation of all of the agreed recommendations is unlikely to occur in accordance with the timetable agreed.</p>	<p>3 = Significant impact – action required</p> <p>There would be varying levels of impact from any non-implementation of the recommendations given the high significance of the majority of control risks identified.</p>	<p>Internal audit reports are followed up to ensure compliance.</p> <p>There are escalation procedures in the event of non compliance.</p>