

INTERNAL AUDIT SUMMARY REPORT

GRANT AUDIT – RENT SMART WALES (FOR THE 2018/19 FINANCIAL YEAR)

1. INTRODUCTION

- 1.1. This audit was carried out in line with the Internal Audit Plan 2019/20, and in full consultation with operational staff and management.
- 1.2. The scope of the audit was to determine the effectiveness of the internal controls and compliance with terms and conditions in relation to the Rent Smart Wales Grant for the 2018/19 financial year.
- 1.3. The audit was conducted by the Principal Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

2. SUMMARY OF FINDINGS

- 2.1. Three weaknesses were identified and each of these was classified as High Risk. The areas involving these risks were:
 - The official submission to WG provided an incorrect total expenditure amount and an incorrect description of the type of expenses claimed.
Agreed Action – The Private Rented Sector Officer will request that the Accountancy Section issue a copy of the General Ledger every quarter to ensure all expenditure is listed before the end of the financial year.
 - Inconsistency in allocating the relevant costs incurred correctly to the Rent Smart Wales Scheme cost centre, therefore failing to supply the Accountancy Section of all expenditure incurred.
Agreed Action – Only one officer to request expenditure and ensure the correct cost centre code is applied.
 - An incomplete record maintained by the Service of all costs incurred for the Rent Smart Wales Scheme.
Agreed Action – A robust recording system will be implemented within the Scheme.

3. CONCLUSION

- 3.1. The Audit Report is produced on an exception basis; consequently the only points made are where weaknesses have been identified. Reliance is placed, in part, on the information and explanations provided by appropriate officers.
- 3.2. The Team Manager - Housing Solutions and Compliance has agreed to mitigating actions for the three weaknesses identified.

4. INTERNAL CONTROL STANDARD GRADING

- 4.1. In accordance with the standard gradings set out in Appendix A, the systems examined indicate that three significant weaknesses have been identified that require appropriate action, therefore the grading is assessed as **‘Limited Assurance’**.