

Summary of Internal Audit High Importance Recommendations

Committee	Audit Title	Summary of Finding and Recommendation	Management Response	Action Date	Confirmed Implemented
Aug 2012	Rebates	<p>Inconsistent systems were operated to capture relevant data which created inefficiencies in the invoicing and sales ledger processes and a risk that all rebates actually due are not promptly and accurately collected and received.</p> <p>Recommended business processes to be established and subsequently documented to identify which area of the business should carry out various processes.</p>	A	July 12	<p>Partly – processes have been documented</p> <p>IAS will further f/u compliance against processes</p>
Aug 2012	Rebates	<p>For ‘Dealing Direct’ items, there is major reliance on the honesty of the supplier to provide accurate information about levels of turnover.</p> <p>There is also a higher risk of non-receipt of rebates, especially in the current economic climate, due to only collecting on an annual basis regardless of the perceived risk of supplier.</p> <p>Recommend: -</p> <ul style="list-style-type: none"> Supporting evidence substantiating rebates paid should form part of new contractual obligations for all suppliers. Current suppliers should be retrospectively requested to comply. Consideration should be given to more regular rebate settlements for selected suppliers based 	A	August 12	<p>Partly – contracts are more robust but changes have not been embedded long enough to confirm compliance</p> <p>Further audit work planned</p>

Eastern Shires Purchasing Organisation (ESPO)

		on factors such as materiality of business and the degree of financial stability of the supplier.			
Aug 2012	Rebates	ESPO staff identified a lack of any rebate budget information being produced during the year. Recommended the development of robust management information and performance indicators in order to provide regular reporting to management team, which would also aid management decision making regarding the benefit or otherwise of each individual contract	A	October 12	Yes However IAS to f/u whether further development is required

Key to management response

A=Recommendation agreed; M=modified recommendation agreed; D=Assumed agreed; X=Not agreed

Audit/ESPO/F&ASC/13-14/November/Appendix 3/Hi Progress Report

Last Revised 07/11/2013