

CAR LOANS

Report By: Audit Services Manager

Wards Affected

Council-wide.

Purpose

To provide the Audit and Corporate Governance Committee with a summary of audit findings on the Council's arrangements for employee car loans.

Financial Implications

The Council has a car loan scheme that allows eligible officers to apply for a loan on a vehicle that is intended for use in connection with their employment. The interest rate charged on the loan by the Council is set at such a rate to ensure that the Council breaks even on the cost of the loan.

RECOMMENDATION

THAT: Members of the Audit and Corporate Governance Committee note the report.

Reasons

A reply to a request from the Audit and Corporate Governance Committee for more information on an audit carried out by Audit Services.

Considerations

1. The audit review formed part of the 2006/07 Audit Plan previously approved by the Audit Committee on 7th April 2006. The client officer was the Head of Financial Services.
2. The audit review was carried out during November 2006 and the scope included consideration of the:
 - terms of the Car Loan Scheme;
 - processing of loan applications; and
 - and year end procedures.
3. The Audit Opinion was satisfactory (Appendix 1 refers).

Further information on the subject of this report is available from Tony Ford (Audit Services Manager)
on tel: (01432 260425)

4. There were no Critical 1 or level 1 recommendations.
5. In summary the recommendations made highlighted the need for the terms and conditions for car loans to be updated. Audit Services can confirm that all recommendations have been actioned. New terms and conditions have been in place since May 2007.
6. The report concluded that the car loan scheme was well controlled and administered, with good reconciliation procedures carried out on a monthly basis and at year-end.

Risk Management

7. There was the risk that the loan scheme was not being applied in line with council policy. The audit review showed that the system was operating satisfactorily.

Background Papers

Audit Services Report – I 3004