

Internal Audit Follow Up Report

Summary

1. This is the regular six monthly report to the committee setting out progress made by council departments in implementing actions agreed as part of internal audit work.

Background

2. Where weaknesses in systems are found by internal audit, the auditors discuss and agree a set of actions to address the problem with the responsible manager. The agreed actions include target dates for issues to be dealt with. The auditors then carry out follow up work to check that the issue has been resolved once these target dates are reached. The follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary. Where managers have not taken the action they agreed to, issues are escalated to more senior managers, and ultimately may be referred to the Audit and Governance Committee.
3. A summary of the findings from follow up work is presented to this committee twice a year. The current report covers agreed actions with target dates up to 31 August 2016.

Consultation

4. Details of the findings of follow up work are discussed with the relevant service managers and chief officers.

Follow up of internal audit agreed actions

5. A total of 68 actions have been followed up since the last report to this committee in April 2016. A summary of the priority of these actions is included in figure 1, below.

Figure 1: actions followed up as part of the current review

Priority of actions*	Number of actions followed up
1	0
2	20
3	44
Total	64

* The priorities run from 1 (high risk issue) to 3 (lower risk)

6. Four actions were issued in a memo report without priority ratings, bringing the total number of actions followed up in this period to 68.
7. Figure 2 below provides an analysis of the actions which have been followed up, by directorate.

Figure 2: actions followed up by directorate

Priority of actions	Number of actions followed up by directorate				
	CSES	CES	CANS	AS	CBSS
1 (High)	0	0	0	0	0
2 (Medium)	0	0	1	1	18
3 (Low)	31	0	0	0	13
Total	31	0	1	1	31

8. The four actions without priority ratings were issued to the directorate of Adult Social Services.
9. Of the 68 agreed actions 49 (72.1%) had been satisfactorily implemented and 11 (16.2 %) were no longer needed¹.
10. In a further 8 cases (11.8%) the action had not been implemented by the target date, but a revised date was agreed. This is done where the delay in addressing an issue will not lead to

¹ For example because of other changes to procedures or because the service has ended or changed significantly.

unacceptable exposure to risk and where, for example, the delays are unavoidable (eg due to unexpected difficulties or where actions are dependent on new systems being implemented). These actions will be followed up after the revised target date and if necessary they will be raised with senior managers in accordance with the escalation procedure. Figure 3 below shows the priority of these actions.

Figure 3: priorities of actions with revised implementation dates

Priority of actions	Number of actions with revised dates by directorate				
	CSES	CES	CANS	AS	CBSS
1 (High)	0	0	0	0	0
2 (Medium)	0	0	0	0	2
3 (Low)	1	0	0	0	2
Total	1	0	0	0	4

11. Revised dates were also agreed for three actions issued without priority ratings.
12. Actions that have been revised in this period for longer than six months are summarised in annex 1.
13. In addition to the above actions, there are another 48 actions where revised dates had previously been agreed. These are currently being followed-up or will be followed-up as part of 2016/17 audit work.

Conclusions

14. The follow up testing undertaken confirms that in general good progress has been made by council departments to rectify weaknesses in control identified through internal audit work. This is an ongoing process and progress in implementing agreed actions will continue to be monitored and reported as required through the escalation procedure. There are no specific issues that need to be brought to the attention of the Audit and Governance Committee at this time.

Options

15. Not relevant for the purpose of the report.

Analysis

16. Not relevant for the purpose of the report.

Corporate Priorities

17. This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything we do. It also contributes to all the improving organisation effectiveness priorities.

Implications

18. There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

Risk Management

19. The council will fail to properly comply with Public Sector Internal Audit Standards (PSIAS) if it does not establish procedures to follow up on audit recommendations and report progress to the appropriate officers and members.

Recommendations

20. Members of the Audit and Governance Committee are asked to:
- consider the progress made in implementing internal audit agreed actions as reported above (paragraphs 5 – 14)

Reason

To enable Members to fulfil their role in providing independent assurance on the council's control environment.

Contact Details

Author:

Max Thomas
Head of Internal Audit
Veritau Ltd
Telephone: 01904 552940

Chief Officer Responsible for the report:

Ian Floyd
Director of Customer and Business
Support Services
Telephone: 01904 551100

**Report
Approved**



Date 14/09/2016

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers:

None

Annexes

Annex 1 – Actions revised in this period for longer than six months.