

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, the Governance, Risk and Assurance Group (GRAG) 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 with the last report being presented in September 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 105 actions have been followed up since the last report to this committee in September 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 | 2 |
| 2 | 33 |
| 3 | 67 |
| Total | 102 |

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

6. Three actions were issued in a memo report without priority ratings, bringing the total number of actions followed up in this period to 105.
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 | | | |
|--------------|---------------------|----------|-----------|-----------|
| | CCS | EP | CEC | HHASC |
| 1 (High) | 1 | 0 | 0 | 1 |
| 2 (Medium) | 19 | 4 | 3 | 7 |
| 3 (Low) | 22 | 3 | 30 | 12 |
| Total | 42 | 7 | 33 | 20 |

8. The three actions without priority ratings were issued to the directorate of Health, Housing and Adult Social Care.
9. Of the 105 agreed actions 87 (83%) had been satisfactorily implemented and 6 (6%) were no longer needed¹.
10. In a further 12 cases (11%) 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 unacceptable exposure to risk and where, for example, the delays

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

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 | | | | |
|----------------------------|------------|-----------|------------|--------------|
| | CCS | EP | CEC | HHASC |
| 1 (High) | 0 | 0 | 0 | 0 |
| 2 (Medium) | 3 | 2 | 0 | 0 |
| 3 (Low) | 4 | 0 | 3 | 0 |
| Total | 7 | 2 | 3 | 0 |

11. Two of the P2 actions had implementation dates revised by more than six months. Further details of these actions are included in Annex 1.

Conclusions

12. 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

13. Not relevant for the purpose of the report.

Analysis

14. Not relevant for the purpose of the report.

Corporate Priorities

15. 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 priorities relating to improving organisational effectiveness.

Implications

16. 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

17. 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

18. 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 – 12)

Reason

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

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**Report
Approved**



Date

20/4/17

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 - Priority 1 and 2 actions with implementation dates revised by more than six months