

Audit and Governance Committee

24 September 2008

Report of the Assistant Director (Audit and Risk Management)

Follow Up of Internal Audit Recommendations

Summary

1. This report sets out the progress made by departments in implementing those agreed audit recommendations which were due to have been implemented by 31 August 2008.

Background

2. In June 2006, the Audit and Governance Committee approved the process to be followed in reviewing and reporting on progress made by service departments in implementing agreed internal audit recommendations. In accordance with this process reports are brought to Committee for members consideration every six months setting out progress, together with details of any outstanding recommendations that require referral to the Committee for further action. This report is based on follow up work by the Internal Audit Service. All recommendations are reviewed once their agreed implementation date has passed. The review is carried out using a combination of questionnaires completed by departments, risk assessment, and by further detailed examination by Internal Audit where appropriate.

Consultation

3. Details of the findings of follow up work have been discussed with the relevant service managers and chief officers.

Follow Up of Recommendations

4. A total of 69 recommendations were followed up as part of this review. A summary of the priority of these recommendations is included in figure 1, below.

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

Priority of Recommendations	No. of Recommendations Followed Up
1 (High)	8
2 (Medium)	31
3 (Low)	30
Total	69

5. Figure 2 below provides an analysis of the recommendations which have been followed up, by Directorate.

Figure 2: Recommendations followed up by Directorate

Priority of Recommendations	No. of Recommendations Followed Up by Directorate					
	Chief Executives	City Strategy	HASS	LCCS	Resources	Neighbourhood Services
1 (High)	1	3	2	1	0	0
2 (Medium)	2	4	4	14	7	0
3 (Low)	0	2	6	17	5	1
Total	3	9	12	32	12	1

6. Of the 69 recommendations, 8 (12%) had been superseded (for example by business developments or because of cessation of service). Of the remaining recommendations, 49 (71%) had been satisfactorily implemented.
7. In 9 cases (13%), the recommendations had not been implemented (although progress had been made in some cases). These were referred back to the relevant service manager or assistant director. Following this, a revised implementation deadline has been agreed. These will be followed up again after the revised deadline, and if necessary will proceed to the next stage of the approved escalation procedure.
8. In three cases (4%), the reasons given for not progressing the recommendation were not considered satisfactory, and the escalation process for these outstanding recommendations has now commenced. All three recommendations are at stage 3 of the escalation process (see Annex 1) and have been referred to the service manager for a response. None of the recommendations are yet at the stage for member referral.

Conclusions

9. The follow up testing undertaken by Internal Audit confirms that in general, good progress has been made by directorates to rectify the weaknesses in control identified in Internal Audit reports. However, there are a number of areas where work is still required to address the recommendations made. This is an ongoing process and therefore progress in implementing these recommendations will 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

10. Not relevant for the purpose of the report.

Analysis

11. Not relevant for the purpose of the report.

Corporate Priorities

12. 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

13. The implications are:
 - **Financial** – there are no financial implications to this report.
 - **Human Resources (HR)** – there are no HR implications to this report.
 - **Equalities** – there are no equalities implications to this report.
 - **Legal** – there are no legal implications to this report.
 - **Crime and Disorder** – there are no crime and disorder implications to this report.
 - **Information Technology (IT)** – there are no IT implications to this report.
 - **Property** – there are no property implications to this report.

Risk Management

14. The Council will fail to properly comply with the CIPFA Code of Practice for Internal Audit in Local Government if it fails to follow up on audit recommendations and report progress to the appropriate officers and Members. This in turn would adversely impact on the Council's CAA Organisational Assessment score for the Use of Resources.

Recommendations

15. Members of the Audit and Governance Committee are asked to:
 - consider the progress made in implementing audit recommendations as reported above (paragraphs 4 – 8).

Reason

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

Contact Details

Author:

Helen Malam
Principal Auditor VFM
Audit and Risk Management
Telephone: 01904 552944

Chief Officer Responsible for the report:

Pauline Stuchfield
Assistant Director (Audit & Risk Management)
Telephone: 01904 551706

Report Approved

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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 – Escalation process for unaddressed recommendations