

## **Audit and Governance Committee**

26 April 2010

Report of the Assistant Director of Customer & Business Support Services  
(Customer Service & Governance)

## **Follow Up of Internal Audit Recommendations**

### **Summary**

1. This report sets out the progress made by directorates in implementing those agreed audit recommendations which were due to have been implemented by 1 March 2010.

### **Background**

2. Internal audit follow up reports are brought to the committee twice a year, setting out the progress made by service departments in implementing agreed internal and external audit recommendations; 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 council's internal audit service provider, Veritau Limited.
3. 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. The last report was presented to this committee in December 2009 and therefore the summary of follow up work below is for a period of only four months rather than the usual six.

### **Consultation**

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

### **Follow Up of Internal Audit Recommendations**

5. A total of 86 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)	3
2 (Medium)	23
3 (Low)	60
Total	86

6. 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)	0	0	1	1	1	0
2 (Medium)	1	1	7	10	4	0
3 (Low)	2	0	10	31	7	10
Total	3	1	18	42	12	10

7. Of the 86 recommendations, 12 (14% of total) had been superseded (for example by business developments or because of cessation of service). Of the remaining recommendations, 63 (73% of total) had been satisfactorily implemented.
8. In a further 11 cases (13% of total) the agreed recommendations had not been implemented by the due date. In all these cases satisfactory explanations for the delays were received from the relevant service departments (e.g. unexpected difficulties or the action being dependent on new systems being implemented). Following this, revised implementation deadlines have been agreed. These will be followed up again after the revised deadline, and if necessary will proceed to the approved escalation procedure.

### Follow Up of Audit Commission Recommendations

9. In December 2009, the committee requested that information on whether work on the Sure Start grant claim is on track to meet submission deadlines be included in this report. Following further follow up, assurance has been given by the responsible finance manager that the grant claim is on track to meet the submission deadline.
10. A follow up of the recommendations made by the Audit Commission in relation to financial planning is being undertaken as part of a current internal audit review in this area. Work is ongoing and an update will be included as part of the next follow up report due in September. The progress made by

management to implement the recommendations contained in the Audit Commission's reports on Grant Claims Certification and Asset Management will be assessed and also reported to this committee in September.

## **Conclusions**

11. 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 audit reports. This is however an ongoing process. There are still some areas where work is required to address the recommendations made. Progress in implementing these recommendations 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**

12. Not relevant for the purpose of the report.

## **Analysis**

13. Not relevant for the purpose of the report.

## **Corporate Priorities**

14. 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**

15. 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

16. 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 CPA score for the Use of Resources.

## Recommendations

17. Members of the Audit and Governance Committee are asked to:
- consider the progress made in implementing audit recommendations as reported above (paragraphs 5 – 11).

### Reason

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

## Contact Details

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Report Approved  Date 1/4/10

## Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

## Background Papers:

None

## Annexes

None