

## **Internal Audit Follow Up Report**

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### **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 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 28 February 2013.

### **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 115 actions have been followed up since the last report to this committee in September 2012. 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	4
2	36
3	75
<b>Total</b>	<b>115</b>

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

- 6 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				
	Chief Executives	CES	CANS	ACE	CBSS
1	0	0	0	1	3
2	0	3	4	8	21
3	0	7	4	47	17
<b>Total</b>	<b>0</b>	<b>10</b>	<b>8</b>	<b>56</b>	<b>41</b>

- 7 Of the 115 agreed actions, 84 (73%) had been satisfactorily implemented and 5 (4%) were no longer needed<sup>1</sup>.
- 8 In a further 25 cases (22%) 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 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

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

escalation procedure. Figure 3 below shows the priority of these actions.

*Figure 3: priorities of actions with revised dates*

<b>Priority of actions</b>	<b>Number of actions with a revised implementation date</b>
1	3
2	9
3	13
<b>Total</b>	<b>25</b>

- 9 In one case (1%) no suitable action had been taken by the responsible officer to address the issue raised. This action was escalated in March 2012 and full re-testing of the relevant issue is currently being undertaken to establish whether an acceptable control environment is now in place.
- 10 There are 33 actions where the final report has been issued but the actions have not yet been followed up.

### **Conclusions**

- 11 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**

- 12 Not relevant for the purpose of the report.

### **Analysis**

- 13 Not relevant for the purpose of the report.

## **Corporate Priorities**

- 14 The work of internal audit supports overall aims and priorities by promoting probity, integrity and honesty and by helping to make the council a more effective organisation.

## **Implications**

- 15 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**

- 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.

## **Recommendations**

- 17 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 – 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**



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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

None