

Audit and Governance Committee

24 September 2007

Report of the Assistant Director of Resources (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 July 2007.
2. The report also includes a summary of the progress made in addressing the implementation of recommendations which have been escalated previously.

Background

3. In June 2006, the Audit and Governance Committee approved the process to be followed in reviewing and reporting on progress made by service departments to implement agreed internal audit recommendations. In accordance with this process, reports are brought to this Committee every six months setting out the progress which has been achieved. Details are also given of any outstanding recommendations that require referral to the Committee for further action. This report is based on follow up work undertaken by Internal Audit. All recommendations are reviewed once their agreed implementation date has passed. The current status of recommendations is confirmed using a combination of questionnaires completed by departments and by further detailed examination by Internal Audit, where appropriate.

Consultation

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

Follow Up of Recommendations

5. A total of 151 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)	10
2 (Medium)	91
3 (Low)	50
Total	151

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	1	4	3	0	2
2 (Medium)	0	4	36	17	10	24
3 (Low)	0	1	39	5	2	3
Total	0	6	79	25	12	29

7. Of the 151 recommendations, 19 (13%) had been superseded (for example, as a result of process changes or because of the cessation of service). Of the remaining recommendations, 127 (84%) have been satisfactorily implemented.
8. In 5 cases (3%), the recommendations had not been fully implemented (although progress had been made in some cases). These were referred back to the relevant service manager or assistant director. Following this, revised implementation dates have been agreed in each case. These recommendations will be followed up again after the revised deadline, and escalated in accordance with the approved procedure, if necessary.

Previously Escalated Recommendations

9. In January 2007, it was reported to Members that the escalation process had commenced with regard to four recommendations, because insufficient progress had been made in implementing them. One of the recommendations has since been implemented satisfactorily and another has been reassigned to another Service Manager, and will now be followed up in early 2008. For the remaining two recommendations, audit work has established that satisfactory progress has been made to date. Progress will continue to be assessed during the following months. It has therefore been decided that it will not be necessary to escalate these recommendations further.

Conclusions

10. 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 by Internal Audit. 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 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

11. Not relevant for the purpose of the report.

Analysis

12. Not relevant for the purpose of the report.

Corporate Priorities

13. 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

14. 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

15. The Council will fail to properly comply with the Chartered Institute of Public Finance and Accountancy (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 Comprehensive Performance Assessment (CPA) score for the Use of Resources and therefore its overall CPA score when this is re-assessed.

Recommendations

16. Members of the Audit and Governance Committee are asked to:

- consider and note the progress made in implementing audit recommendations as reported above (paragraphs 7 – 10).

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 13/9/07

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