

**REPORT TO:** AUDIT AND RISK MANAGEMENT SUB-COMMITTEE - 22 SEPTEMBER 2008

**REPORT ON:** INTERNAL AUDIT REPORTS - SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS

**REPORT BY:** CHIEF INTERNAL AUDITOR

**REPORT NO:** 480-2008

## **1.0 PURPOSE OF REPORT**

To submit to Members of the Audit and Risk Management Sub-Committee an update on the progress in implementing internal audit recommendations previously reported to and agreed by Management.

## **2.0 RECOMMENDATIONS**

Members of the Sub-Committee are asked to note the information contained within this report.

## **3.0 FINANCIAL IMPLICATIONS**

None

## **4.0 MAIN TEXT**

- 4.1** The 2006 CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom states that "Management has responsibility for ensuring that agreed actions are implemented" and "internal audit should obtain assurances that actions have been implemented". The Code also states that it is the responsibility of the Head of Internal Audit "to determine the need for and the form of follow-up action".
- 4.2** The Internal Audit Annual Plan includes a specific allocation for follow-up reviews through which the Chief Internal Auditor can assess the extent to which the agreed recommendations have been implemented within the given timescales. The outcomes of such reviews are formally reported to Management and the Executive Summaries are subsequently included in the Internal Audit Reports which are a standing item on the Audit and Risk Management Sub-Committee agenda.
- 4.3** However, it is not possible to carry out follow-up reviews for all areas previously audited as this would diminish the Internal Audit Service's ability to provide coverage over a wide range of projects and departments. In order to overcome this limitation, assurances are formally sought from management by means of Progress Reviews in which they are required to provide an update of action taken in respect of recommendations previously made. Some of these will be subject to a specific follow-up review as mentioned in paragraph 4.2 above, depending upon management responses, the area under review and the resources available. Attached at Appendix A is a schedule which details the progress reviews which have been undertaken during 2008/09 by the Internal Audit Service and also summarises progress made towards implementation of the agreed recommendations.

## **5.0 POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major issues.

## **6.0 CONSULTATION**

The Chief Executive and Head of Finance have been consulted on the content of this report.

## **7.0 BACKGROUND PAPERS**

None

Sallie Dailly, Chief Internal Auditor

DATE: 15 September 2008

INTERNAL AUDIT REPORTS – SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS					
Report No.	Department	Subject	Number of Recommendations		Other Comments
			Due to be Implemented	Implemented	
2005/39	Finance	Superannuation Investments	6	5	Outstanding recommendation in respect of Bond Manager is no longer applicable.
2005/43	Finance	Risk Management	3	2	The key area outstanding relates to the Council's Corporate Risk Register. This is scheduled to be submitted to the Policy and Resources Committee by the end of the financial year.
2005/45	Finance	Benefits Reconciliation	1	1	
2006/02	Waste Management	Income Collection and Receipting (Marchbanks)	6	5	Outstanding area, which is in the process of being finalised, relates to the drafting of procedure notes for staff.
2006/09	Corporate	Creditors Sundry Payments	4	4	
2006/32	Education	School Clothing Grants	1	1	
2006/39	Finance	Corporate Governance	1	1	
2006/40	Finance	Insurance, Common Good and Charitable Trust Funds	2	1	The outstanding action, relates to the development of a formal strategy and policy for investments, has been delayed pending the issue of the new Investment Regulations by Scottish Government.
2006/42	Support Services	Freedom of Information	3	2	Improvements to the database and filing systems are currently being piloted before being implementation.
2007/02	Information Technology	General Ledger	2	1	The outstanding recommendation, relating to back-up procedures, is in the process of being addressed.

INTERNAL AUDIT REPORTS – SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS (continued)					
Report No.	Department	Subject	Number of Recommendations		Other Comments
			Due to be Implemented	Implemented	
2007/03	Finance	General Ledger	5	1	Since the initial audit review the Council's General Ledger system has been upgraded. This in turn impacted upon implementation of the report's action plan. Of the outstanding recommendations one is no longer applicable and the other three are scheduled to be actioned by the end of the financial year.
2007/08	Economic Development	Ordering, Receipting & Creditor Payments	2	2	
2007/13	Social Work	Charges for Residential and Respite Care	4	2	The outstanding recommendations which relate to procedure notes and charges for respite care are in the process of being implemented.
2007/15	Finance	Pension Administration Transfer Values and Refunds	5	3	The outstanding recommendations relating to development of a website for the Tayside Superannuation Fund and seeking guidance on data protection matters are in the process of being implemented.
2007/21	Housing	Scottish Housing Quality Standard (SHQS)	5	1	SHQS is a long term project. Whilst the outstanding recommendations on such matters as the stock information database and consultation with tenants are not fully implemented work is progressing well and is scheduled to be actioned by the end of the financial year.
2007/22	Support Services	Guidance on Disclosure Checks	1	1	

INTERNAL AUDIT REPORTS – SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS (continued)					
Report No.	Department	Subject	Number of Recommendations		Other Comments
			Due to be Implemented	Implemented	
2007/23	Education	School Placing Requests	4	3	Work is underway to finalise the outstanding recommendation relating to improvements in documenting in-year requests.
2007/35	Finance	Parking PCNs Reconciliation Procedures	1	1	Work is underway to address the report's recommendation and is scheduled to be implemented by the end of November 2008.