

**REPORT TO:** AUDIT AND RISK MANAGEMENT SUB-COMMITTEE - 28 SEPTEMBER 2009

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

**REPORT BY:** CHIEF INTERNAL AUDITOR

**REPORT NO:** 482-2009

## **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 2009/10 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: 18 September 2009

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 in full	
2006/51	Education	Nursery Fees	7	6	Outstanding action, relating to the compilation of a guidance manual for staff, is in the process of being addressed.
2007/01	Leisure & Communities	Disclosure Checks	3	3	
2007/06	Planning & Transportation	Parking Penalty Charge Notices	7	4	The key areas outstanding which include the implementation of the Council's cash receipting system, development of a software enhancement by the supplier and drafting of procedure notes are currently being progressed.
2007/19	Finance Revenues	Non-Domestic Rates - Liability and Billing	2	2	
2007/20	Social Work	Payroll - Variations to Pay	2	2	

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2007/27	Planning & Transportation	Planning Applications	5	5	
2007/28	Dundee Contract Services	Stocks, Stores and Stock Checks	3	3	
2007/29	Economic Development	Energy Management	7	0	Whilst the agreed actions have not been implemented in full significant progress is being made. Implementation of the reports recommendations will continue to be monitored.
2007/30	Corporate	Anti-Money Laundering	5	5	
2007/31	Education	Glebelands Primary School	3	3	

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2007/32	Education	Handover Procedures at Education Establishments	1	1	
2007/38	Information Technology	Information Technology Backups	2	2	
2007/45	Corporate	Salary Overpayments	1	0	Draft guidelines which have been prepared and issued for comment are scheduled to be finalised by the end of October 2009.
2008/02	Finance Revenues	Council Tax Liability	2	2	
2008/07	Finance Revenues	Housing Benefit and Council Tax Benefit	2	1	Outstanding action which relates to the development of an on-line benefit application form is currently being progressed by Finance Revenues and Information Technology staff.

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2008/11	Leisure & Communities	Recruitment and Selection	2	0	Whilst some progress has been made competing priorities such as the transfer of records to the new payroll system has resulted in the date for full implementation being revised to December 2009.
2008/21	Corporate	Corporate Overtime Guidelines	3	1	The outstanding actions relating to the updating of the corporate guidance and of authorised signatories lists are to be completed by the end of 2009.