

**REPORT TO: AUDIT AND PERFORMANCE REVIEW COMMITTEE ON 28
APRIL 2010**

SUBJECT: INTERNAL AUDIT - FOLLOW UP OF AUDIT RECOMMENDATIONS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 This report provides Committee with information relating to work carried out by services to implement agreed recommendations made following completion of internal audit projects.
- 1.2 This report is submitted to Committee in terms of Section J2 of the Council's Administrative Scheme relating to reporting by the Internal Auditor.

2. RECOMMENDATION

- 2.1 The Committee is asked to note the responses of service departments to recommendations made during internal audit reviews.

3. BACKGROUND

- 3.1 Individual audit projects culminate in the issue of an audit report together with an audit action plan detailing recommendations arising from the audit and the management response. Where management accept an audit recommendation a timescale for its implementation is agreed with the auditor and after the implementation date has passed internal audit undertakes 'follow up' work to ensure the agreed actions have been implemented. This is in accordance with good practice in terms of the CIPFA Code of Practice for Internal Audit in Local Government.
- 3.2 Generally where management agree to implement a recommendation then this is done within the timeframe agreed. Where this is not possible then Internal Audit considers the reason for the delay during the follow up exercise and a further extension of time in which to implement the recommendation is negotiated. A further follow -up exercise is then completed at the appropriate time.
- 3.3 There can be occasions where the implementation of recommendations is delayed where the actions required are dependent on factors which are not directly within a manager's control. A current example of this is a cash and banking review being completed corporately which has had an impact on the implementation of audit action plans relating to cash collection services and school catering.
- 3.4 Schedules summarising the results of follow up actions are attached for the most recent follow up exercises as **Appendix 1**. These cover Fleet Services - Vehicle Maintenance and Management; Social Work - Direct Payments, Pre-School Education, and Environmental Services - Flood Alleviation..

- 3.5 Reporting on follow up projects to the Committee will now be undertaken on a bi-annual frequency with follow up exercises to be reported in the next review period covering Health and Safety, Public Transport Unit, Sport and Leisure facilities and the Non Domestic Rates review. The outcomes from these follow-up exercises will be reported to Committee in October.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

No direct implications.

(b) Policy and Legal

The follow up activity in line with the requirements of the Code of Practice for Internal Audit in Local Government represents good practice.

(c) Resources (Financial, Risks, Staffing and Property)

Time is made available within the audit plan to undertake follow up work to provide the necessary assurances that agreed audit recommendations are implemented by management.

(d) Consultations

Managers are consulted during the follow up process to obtain evidence that recommendations have been implemented as agreed. No direct consultations have taken place in relation to this report.

5. CONCLUSION

- 5.1 The committee is invited to consider the audit follow up arrangements for the projects detailed in the Appendix to this report.**

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Background Papers: Internal Audit files

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