

**REPORT TO: SCRUTINY COMMITTEE - 24 SEPTEMBER 2014**

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

**REPORT BY: CHIEF INTERNAL AUDITOR**

**REPORT NO: 341-2014**

## **1.0 PURPOSE OF REPORT**

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

## **2.0 RECOMMENDATIONS**

Members are asked to note the information contained within this report.

## **3.0 FINANCIAL IMPLICATIONS**

None

## **4.0 MAIN TEXT**

**4.1** Standard 2500 of the Public Sector Internal Audit Standards entitled Monitoring Progress states "the chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management". In practice this requirement is discharged by the Chief Internal Auditor ensuring that there are effective processes in place to capture assurances that audit recommendations have been implemented or if this is not the case that senior management are aware of the consequences and have accepted the risk of not taking action.

**4.2** The Internal Audit Plan submitted to the Scrutiny Committee on an annual basis contains an allocation for follow-up reviews to be undertaken by internal audit staff. This allocation is used to assess the extent to which recommendations previously agreed with management have been implemented. The outcomes of such reviews are formally reported to management. In addition, the Executive Summaries from these reviews are submitted to the Scrutiny Committee as part of the standing item on Internal Audit Reports.

**4.3** It is not feasible within existing resources for the Internal Audit Service to carry out formal follow-up reviews of all of the areas previously audited. Therefore to ensure compliance with the Standards, assurances are also formally sought from management by means of Progress Reviews. These require management to provide an update of the action taken in respect of recommendations previously made. On the basis of these updates and taking cognisance of the potential risk if the actions previously agreed have not been implemented, a formal follow-up review may subsequently be undertaken by Internal Audit and reported to Committee in line with paragraph 4.2 above. Attached at Appendix A is a schedule summarising the progress reviews undertaken as part of the 2014/15 Plan and commentary on the current status in the implementation of the recommendations where appropriate.

## **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, Director of Corporate Services and Head of Democratic and Legal Services have been consulted on the content of this report.

## **7.0 BACKGROUND PAPERS**

None

Sallie Dailly, Chief Internal Auditor

DATE: 9 September 2014

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INTERNAL AUDIT REPORTS – SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS					
Report No.	Department	Subject	Number of Recommendations		Management Update
			Due to be Implemented	Implemented in full	
2012/16	Corporate	ICT Solutions	3	3	
2012/18	Corporate	Occupational Road Risk	2	0	The report’s recommendations are being progressed and should be complete by the end of the financial year. To date a draft policy has been prepared and is now to be subject to a wider consultation. Thereafter it will be submitted to the Senior Management Team and the Policy and Resources Committee for approval. In addition, the review of operational guidance on a risk-based approach is currently ongoing.
2012/22	Corporate	Follow-up Review of Telecommunications – Mobile Phones	3	0	The contract for the Council’s future mobile communications provider is now in place and all of the recommendations are being progressed. A higher than anticipated migration workload for the IT Division has resulted in delays in implementing the recommendations in full and all outstanding matters are scheduled to be finalised by February 2015.
2012/29	Corporate Services	Non-Domestic Rates	1	0	Steps have been taken to initiate the identification and rationalisation of potential reference sources. To date folders have been set up on the Civica W2 system within general filing and the transfer of documents commenced. It is projected that this exercise will be completed by the end of the financial year.

INTERNAL AUDIT REPORTS – SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS					
Report No.	Department	Subject	Number of Recommendations		Management Update
			Due to be Implemented	Implemented in full	
2012/34	Corporate	Stocks and Inventories	1	1	
2012/37	Corporate	ICT Resilience	2	1	The report's recommendations have been well progressed. In particular a high level IT Disaster Recovery Plan has been developed, a testing regime now takes place when the Dundee House generator tests are being undertaken and the potential impact of power outages has been considered. The outstanding matter, relating to the preparation of a formal report to the Senior Management Team, will be actioned by the end of the calendar year.
2012/40	Corporate	Tayside Procurement Consortium	1	0	Areas from the original review still to be finalised are being progressed. The memorandum of understanding is to be updated as part of the review exercise undertaken at the end of the current financial year. In addition, the content of the procurement section of the Council's intranet site is being reviewed and updated where required.