

REPORT TO: SCRUTINY COMMITTEE - 25 SEPTEMBER 2013

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

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 393-2013

ITEM No ...7.....

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 2013/14 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 2013

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	
2011/08	Social Work	Meals Income	3	0	Work to action the recommendations in respect of updating operational guidance and reviewing income collection and reconciliation procedures is well advanced and scheduled to be completed by the end of September 2013.
2011/18	Corporate	Arrangements for the Management of Asbestos	5	2	Significant progress has been made in taking forward the agreed actions contained in the original report. The key areas still to be fully concluded upon are finalising the revised procedures for asbestos surveys and rolling out the revised on-site register. These actions are scheduled to be finalized by February 2014.
2011/22	Social Work	Dundee Joint Equipment Store	4	3	To further improve back-up arrangements for the ELMS2 software system an IT bid request has been submitted to utilise the new virtualisation servicer which should make recovery quicker and reduce downtime.
2011/25	Corporate	Corporate Governance Arrangements	1	1	
2011/29	Corporate	Handling and Disposal of Confidential Waste	1	0	The outstanding recommendation relates to the drafting of a corporate policy in respect of confidential waste. It is now intended that this will be captured as part of the review which is currently ongoing of the Council's Data Protection Policy and the suite of related policies.

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			Due to be Implemented	Implemented in full	
2011/30	Environment	Fuel Management (Cleington Road and Caird Park)	2	2	
2011/34	Corporate	Licensing of Houses in Multiple Occupation	5	2	There has been a degree of slippage in taking forward the agreed improvements due to a significant increase in new applications and resource availability. However it is anticipated that the outstanding areas will be fully implemented by the end of the financial year.
2011/40	Corporate	Leavers	4	2	In terms of the outstanding recommendations work is ongoing to implement a more standardised approach to employment termination procedures across all Council Departments. This work is scheduled to be completed by the end of the current financial year.
2011/42	Housing	Housing Repairs	4	3	The area to be fully concluded is in relation to the post completion inspection regime. This is being taken forward through the Department's wider review to improve the management of quality within the repairs system. The outstanding action relating to IT development is scheduled to be finalised by the end of the calendar year.
2011/43	Corporate	Follow-up Review of BACS	3	0	There has been some slippage in taking forward the recommendations primarily due to changes internally in reporting lines and the fact there are some interdependencies with other operations. However the intention is to finalise any outstanding matters by the end of October 2013.

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			Due to be Implemented	Implemented in full	
2011/44	Corporate Services	Follow-up Review of Electoral Registration	1	1	
2012/05	Environment	Sub-Contractors	3	1	Implementation of agreed improvements in the areas of vetting, selection and post-contract evaluation are being progressed but there has been slippage on the initial target completion date due availability of IT support and additional resources. The outstanding areas are now scheduled to be completed by the end of the calendar year.
2012/09	City Development	CRC Energy Efficiency Scheme	3	3	
2012/12	City Development	Health and Safety	4	4	
2012/19	Corporate	Follow-up Review of Amendment to Creditors' Standing Data	2	2	

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2012/24	Corporate Services	Patch Management (Education Network)	1	1	
2012/30	Corporate	Follow-up Review of Debtors and Debt Management – Sundry Debtors	2	1	Discussions are scheduled to be held to explore potential improvement to the system to recover the legal fees associated with rent arrears.