

REPORT TO: SCRUTINY COMMITTEE - 12 DECEMBER 2012

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

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 478-2012

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 of the 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 Scrutiny Committee agenda.

4.3 It is not feasible, within existing resources, for the Internal Audit Service to carry out formal follow-up reviews for all of the areas previously audited. 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 2012/13 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, 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: 27 November 2012

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	
2009/33	Corporate	Business Continuity	3	0	The recommendations have been partly implemented but due to the restructure of Council Departments slippage has occurred in the testing of the Corporate Plan, review of Departmental Plans and formalisation of arrangements with critical suppliers. Outstanding work is scheduled to be completed by August 2013.
2009/40	City Development	Follow-up Review of Energy Management	6	4	Work is ongoing to finalise systems for evaluating projects funded from the Central Energy Efficiency Fund and provision of management information reports from STARK.
2010/02	Education	Follow-up Review of School Placing Requests	3	2	Updated guidance is scheduled to be available for parents on the Council’s website by January 2013.
2010/12	Education	Public Private Partnership – Operational Phase	2	0	Whilst the audit recommendations in respect of management arrangements and business continuity planning have been progressed finalisation will in part be dependent upon the outcome of a workforce planning review which is currently ongoing.
2010/13	City Development	Greenmarket Car Park	3	3	

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2010/18	Education	Business Credit Cards	1	1	
2010/19	Finance Revenues	Council Tax Refunds	3	0	Refunds has been identified as a specific review within the Council's STEP programme. Therefore although the audit recommendations have been advanced any outstanding areas will be considered as part of this exercise.
2010/20	Leisure and Communities	Cash Collection at Golf Courses	3	3	
2010/28	Dundee Contract Services - Construction	Management of Portable Assets	2	1	Work to go live on a new software solution by the start of the 2013/14 financial year is currently ongoing.
2010/29	Dundee Contract Services - Land Services	Management of Portable Assets	2	1	Work to go live on a new software solution by the start of the 2013/14 financial year is currently ongoing.

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2010/31	Education	Attendance Management (Secondary Schools)	1	1	
2010/32	City Development	Management of School Transport	4	4	
2010/33	Social Work	Contracting and Payments	2	0	Significant progress has been made in respect of the recommendations and it is anticipated that they will be implemented in full by the end of the calendar year.
2010/35	Finance	Insurance Arrangements for School Transport	1	1	
2011/01	Finance	User Access to Payroll	2	1	Due to the Council restructure there has been slippage in the planned review of user profiles. It is now scheduled for this exercise to be completed by the end of the calendar year.

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2011/02	Social Work	Client Services	1	1	
2011/04	Environment	Debit and Credit Card Refunds – Brown Street Kennels	1	1	
2011/07	Information Technology	USB Memory Devices	1	0	Progress has been made in moving towards use of encrypted memory devices. There are however still some technical issues which require to be further researched to fully resolve this matter.
2011/11	Corporate	Procurement	1	0	The Tayside Procurement Consortium Sustainable Procurement Action Plan is currently being rolled out across all procurement in Dundee City Council.
2011/12	Information Technology	User Access to IT Systems	1	1	

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2011/14	Corporate	Performance Indicators	2	0	As a result of the Council's restructure taking forward the report's recommendations in respect of improvements to current arrangements and working practices have been delayed. However it is intended that the position will be reviewed once the new Departmental Service Plans have been finalised.
2011/20	Environment	Procurement and Management of Materials	2	0	Significant progress has been made with respect to implementation of the recommendations. The areas to be finalised, namely analysis of the results from the lean review of the pick-up of materials from suppliers and a system for recording surplus equipment, are scheduled for completion by the end of the financial year.
2011/21	Corporate	Periodicals, Publications and Subscriptions	2	0	Whist work in terms of the recommendations has commenced completion was delayed due to priority being given to other Changing for the Future projects. Full implementation is scheduled to be complete by the end of January 2013.
2011/26	Support Services	Debit and Credit Card Refunds – Registrars	2	2	
2011/27	Chief Executive	Debit and Credit Card Refunds – Ancrum Outdoor Education Centre	1	1	