

REPORT TO: SCRUTINY COMMITTEE - 26 OCTOBER 2011

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

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 480-2011

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 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 2010/11 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, Depute Chief Executive and Director of Finance have been consulted on the content of this report.

7.0 BACKGROUND PAPERS

None

Sallie Dailly, Chief Internal Auditor

DATE: 10 October 2011

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	
2009/05	Corporate	Debtors / Debt Management	6	4	Outstanding actions relate to the automation of interdepartmental invoices and compilation of guidance notes. These have been significantly progressed and the automation of interdepartmental invoices is scheduled to be live by the end of October 2011.
2009/07	Information Technology	Payment Card Industry - Data Security Standard	1	1	
2009/13	Corporate	Monitoring of Internet Usage	2	0	The report on Monitoring of Internet Usage, which is key to taking forward the report's original recommendations, was approved by the Council's Strategic Management Team at the end of September 2011. Briefings are now planned to cascade information to staff.
2009/14	City Development	Property Management	3	1	The outstanding actions primarily focus on the improved use of technology within working practices and system interfaces. These areas are still relevant and are being progressed.
2009/21	City Development	Car Parking Income	4	1	Due to resource availability and increasing workloads the outstanding recommendations, which essentially relate to reviewing operational practices, have not yet been progressed. A revised target date of 31 March 2012 has been set for completion of all outstanding matters.
2009/25	City Development	Accounting and Budgetary Control	1	1	
2009/26	Leisure and Communities	Monitoring Public Use of Internet Facilities	1	1	

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	
2009/28	Finance	On-line Payments	2	0	Work to progress a benchmarking exercise of payment services providers, review procedures and key responsibilities is ongoing and scheduled for completion by the end of December 2011.
2009/30	Social Work	Meals Service	3	0	The areas for improvement commented upon in the original report related to the contract, service provision agreements and the limitations of the database. The actions agreed with management in relation to these areas are currently being progressed.
2009/32	Finance Revenues	Housing Benefit Overpayments	2	2	
2009/34	Finance	General Ledger - Authority Purchasing	2	2	
2009/35	Social Work	Cash Imprests	5	3	Work to review the overall cash imprest system, which includes guidance for staff, is ongoing and scheduled to be complete by the end of the current financial year.
2009/36	Education	School Transport	4	4	
2009/37	Corporate	Sundry Payments	4	4	

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	
2009/38	Information Technology	Intrusion Detection and Prevention Systems	1	1	
2009/39	Dundee Contract Services	Major Contracts	1	1	
2009/44	Information Technology	On-line Payments	3	2	The outstanding area relates to the utilisation of 3D secure payments. This has been considered and will be taken forward by the end of the financial year but requires work from the Council's payment service provider for it to be implemented.
2010/01	Education	Follow-up Review of Nursery Fees	2	2	
2010/04	Housing	Rent Recovery	2	2	
2010/06	Corporate	Completeness of Data Fields in Resourcelink	2	1	Whilst progress is being made in terms of improving the capture of key "personal and post" data for the payroll system this exercise has been impacted upon due to resource availability.
2010/07	Corporate	Business Credit Cards	2	1	Business credit cards are currently being replaced with Government Procurement Cards (GPCs). The outstanding recommendation, compilation of user guidance, will now be addressed in terms GPCs and actioned by the end December 2011.

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	
2010/08	Finance	Assessment of Debtors' Income and Expenditure	1	1	
2010/09	Finance	Benefits Sanction Policy	1	1	
2010/14	Finance	Authority Purchasing - General Ledger	1	0	The audit recommendation sought to introduce a practicable solution within the ledger to improve control over committed expenditure. Post audit a potential solution which requires implementation of "alerters" has been identified. This is currently being taken forward.
2010/25	Education	Establishment Reviews	1	1	
2010/26	Finance	BACS	5	5	