

**REPORT TO:** SCRUTINY COMMITTEE - 20 OCTOBER 2010

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

**REPORT BY:** CHIEF INTERNAL AUDITOR

**REPORT NO:** 636-2010

#### **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: 07 October 2010

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	
2007/43	Personnel	Sickness Absence	3	1	Outstanding actions, which are in the process of being addressed, relate to the development of an audit tool to assist in the management of sickness absence and further embedding the policy and procedures throughout the organisation.
2008/01	Corporate	Records Management	2	2	
2008/06	Waste Management	Fleet Management	5	2	Whilst implementation of the agreed audit recommendations have been advanced full implementation is dependent upon progression of the recommendations contained in the best value review of transport and fleet maintenance reported to Committee in March 2010.
2008/22	Finance	Treasury Management	3	1	The outstanding actions which pertain to updating the risk registers and automation of working papers are scheduled to be complete by December 2010.
2008/23	Dundee Contract Services	Fleet Management	5	2	Whilst implementation of the agreed audit recommendations have been advanced full implementation is dependent upon progression of the recommendations contained in the best value review of transport and fleet maintenance reported to Committee in March 2010.
2008/24	Finance Revenues	Post Opening	2	1	Completion of the outstanding area concerning the controlled entry system is being progressed.
2009/02	Finance	Corporate Governance - Assurance Statements	1	1	

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2009/03	Information Technology	Backup of Resourcelink and Authority Financials	4	4	
2009/06	Corporate	Security of Assets - Laptops	1	1	
2009/08	Finance	Merchant Copies of Debit and Credit Card Transactions	1	1	
2009/10	EHTS	Arrangements for the Management and Security of Cash	1	1	
2009/11	Support Services - Administration and Legal Services	Petty Cash Imprests	1	1	
2009/20	Social Work	Statutory Performance Indicators	1	1	
2009/22	Finance	Accounting and Budgetary Control	1	1	

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2009/24	Corporate	DEAP	2	2	
2009/27	Housing	Gas Safety Checks	5	4	Full implementation of the outstanding recommendation relating to improved management information is in the process of being finalised.
2009/31	Support Services	Security of Assets - Smart Phones	1	1	