

**REPORT TO:           AUDIT & RISK MANAGEMENT SUB-COMMITTEE - 28 SEPTEMBER 2009**

**REPORT ON:           REVIEW OF PREVIOUS YEARS' EXTERNAL AUDIT REPORT ACTION PLANS**

**REPORT BY:           HEAD OF FINANCE**

**REPORT NO:           420-2009**

**1       PURPOSE OF REPORT**

To provide elected members with an update on the progress on implementing recommendations from previously agreed external audit reports.

**2       RECOMMENDATIONS**

It is recommended that elected members note the information below and detailed on Appendix A updating progress on implementing previously agreed recommendations.

**3       FINANCIAL IMPLICATIONS**

None

**4       MAIN TEXT**

4.1    In November 2005, revised procedures were agreed with Audit Scotland for dealing with external audit reports, management letters and reviewing previously agreed action plans. These procedures included that the Head of Finance would review agreed action plans regularly to ensure the timeous implementation of previously agreed recommendations. In addition, it was agreed that the Head of Finance would report annually to the Audit & Risk Management Sub-Committee on the progress on implementing recommendations.

4.2    The attached appendix A details the position for each individual report issued by Audit Scotland together with further information on the recommendations as follows:

**Column A** details the total number of recommendations that are due for implementation to date. This excludes any recommendations that have already have been reported in previous progress reports.

**Column B** details the total number of the above recommendations (column a) that have now actually been implemented.

**Column C** details the total number of recommendations that are still outstanding to be implemented and the original target date agreed has now passed.

**Column D** details the total number of recommendations that are still outstanding to be addressed although are not yet due for implementation.

4.3    In summary, since the last progress report was submitted to the Audit & Risk Management Sub-Committee in September 2008, Audit Scotland have issued a further 6 reports that include a total of 26 recommendations that were targeted to have been implemented to date. A total of 6 recommendations were carried forward from the previous progress report as beyond their original target implementation deadline. When

added to the above 26 new recommendations made in the reports issued by Audit Scotland since then, a total of 32 recommendations are now due to have been implemented to date, of which a total of 22 have now been addressed by the Council. The remaining 10 recommendations have not yet been fully implemented by their original target deadline although significant progress has been made and, where relevant, revised target dates have been set. In addition, a further 18 recommendations are still outstanding although these actions have not yet reached their target implementation date. Of the recommendations that have not yet been implemented none require further action or intervention at this time, further progress on these will be reported in due course.

## **5 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 CONSULTATIONS**

The Chief Executive, Depute Chief Executive (Support Services) and Depute Chief Executive (Finance) have been consulted on the content of this report.

## **7 BACKGROUND PAPERS**

Audit Scotland: External Audit Reports (various)

**HEAD OF FINANCE**

**18 SEPTEMBER 2009**

## DUNDEE CITY COUNCIL

## AUDIT &amp; RISK MANAGEMENT SUB-COMMITTEE - 28 SEPTEMBER 2009

## REVIEW OF PREVIOUS YEARS' EXTERNAL AUDIT REPORT ACTION PLANS

Report Details	Number of Recommendations				Other Comments
	a) Due to be implemented	b) Implemented since previous report **	c) Still outstanding to be implemented	d) Due for implementation in the future	
Social Work Debtors and Income	3	3	-	-	All action points that were previously outstanding have now been implemented by the department.
Financial Systems Review	1	1	-	-	Outstanding item related to the migration of all payroll and personnel data to the Resourcelink HR System (ref action plan 1). This was fully completed in November 2008.
Report to Members on the 2006/07 Audit	1	1	-	-	Outstanding recommendation related to a review the applicability of component accounting for council houses (ref action plan 5). This has been undertaken and the appropriate accounting treatment was made in the 2007/08 Statement of Accounts.
Housing - Stock Information Database	4	4	-	-	This report was issued in July 2008, all four recommendations have now been fully implemented by the department.
Information Handling Audit - Cultural Aspects (Information Security)	1	1	-	-	Outstanding recommendation relating to the incorporation of information security and data handling awareness within user application training has now been implemented by the department.
Capital Project Management	9	5	4	6	This report was issued in September 2008, of the 10 recommendations that are outstanding only 4 are due to have been implemented by now (ref action plan 1, 2, 10 & 15), progress has been made in these areas and further work is currently ongoing. The remaining 6 recommendations are not yet due to be implemented although these items are on schedule to be completed by the required dates. No further action is required at this time and further progress will be reported in due course.
Report to Members on the 2007/08 Audit *	4	3	1	1	This report included 8 action points, however, 2 were considered as not applicable and no further action was necessary (ref action plan 2 & 4ii) and another related to the ongoing implementation of the Council's Best Value Improvement Plan (ref 2i). In terms of the 5 remaining items, 3 have now been implemented. The 2 recommendations still outstanding relate to the efficiency agenda and elected members training (ref 5 & 6). In terms of item 6, whilst this has not been achieved by the target date, development plans are well advanced and are in place for 28 of 29 members. A structured training programme has now been identified and this is being delivered through various means. The target date for implementing item 5 is not until 31 March 2011 although significant progress has been made in terms of the level of efficiency savings reported to date and the initiatives that are planned as part of Council's Efficiency programme. No further action is required at this time and further progress will be reported in due course.

**DUNDEE CITY COUNCIL**

**AUDIT & RISK MANAGEMENT SUB-COMMITTEE - 28 SEPTEMBER 2009**

**REVIEW OF PREVIOUS YEARS' EXTERNAL AUDIT REPORT ACTION PLANS**

Report Details	Number of Recommendations				Other Comments
	a) Due to be implemented	b) Implemented since previous report **	c) Still outstanding to be implemented	d) Due for implementation in the future	
Corporate Governance: Systems Assurance *	-	-	-	4	This report was issued in June 2009, the first of these actions is not due to be implemented until 31 March 2010 and work is still ongoing. Further progress will be reported in due course.
ICT Review of GVA Property Management System *	3	2	1	-	The outstanding recommendation relates to the GVA system recording a complete account of expenditure for the period March 2008 to February 2009 (ref action plan 1). All possible action has been taken to manually update these differences although it has not been possible to make adjustments for them all, however, moving forward, the interface set up between GVA and Authority Financials will ensure no further anomalies will occur in the future. No further action to be taken.
ICT Review of Authority Financials System *	5	2	3	1	This report was issued in July 2009, of the 4 recommendations that are outstanding, 3 are due to have been implemented by now (ref action plan 1, 3i & 4), although good progress has been made in these areas and these actions are almost complete. The remaining recommendation (ref action plan 2) is not due to be implemented until 31 October 2009 and this is on target to be completed by the due date. No further action is required at this time and further progress will be reported in due course.
ICT Change Management Review *	1	-	1	4	This report was issued in July 2009, of the 5 recommendations that are outstanding, 1 is due to have been implemented to date (ref action plan 1) although this action point is still ongoing. In terms of the remaining 4 recommendations (ref 2 - 5), these are not yet due for implementation and work is still ongoing. No further action is required at this time and further progress will be reported in due course.
ICT Review of Resourcelink *	-	-	-	2	This report was issued in August 2009, both agreed recommendations (ref action plan 1 & 3) are not yet due to be implemented and work is still ongoing. Further progress will be reported in due course.
<b>Total</b>	<b>32</b>	<b>22</b>	<b>10</b>	<b>18</b>	

\* New reports that have been issued since the previous progress report was submitted to Audit & Risk Management Sub-Committee on 22 September 2008 (Report 427-2008 refers).

\*\* Where appropriate, implemented recommendations are subject to continual review and further action is taken as required.