
Meeting: **Audit Committee**

Date: **4th April 2011**

Subject: **Tracking of Audit Recommendations**

Report of: **Director of Customer and Shared Services**

Summary: This report summarises the high risk recommendations arising from Internal Audit reports and outlines how these will be monitored, tracked and reported to the Audit Committee.

Contact Officer: Kathy Riches, Head of Audit

Public/Exempt: Public (with Appendix 2 exempt)

Wards Affected: All

Function of: Audit Committee

CORPORATE IMPLICATIONS

Council Priorities:

An effective internal audit function will indirectly contribute to all of the Council's priorities.

Financial:

Although there are no financial risks from the issues identified in the report, the outcome of implementing audit recommendations is for the Council to enhance internal control, and better manage its risks, thereby increasing protection from adverse events.

Legal:

None arising directly from the report.

Risk Management:

None specifically. The Audit Plan was produced using a risk based approach, following the completion of a detailed Audit Needs Assessment which took into account strategic and service area risks.

Staffing (including Trades Unions):

None directly from this report.

Equalities/Human Rights:

None directly from this report.

Community Safety:

None directly from this report.

Sustainability:

None directly from this report.

RECOMMENDATION:**That the Audit Committee:**

- 1. Note and comment on the updates as presented.**

Background

1. One of the purposes of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework and the associated control environment.
2. To further strengthen the Audit Committee's role in monitoring the internal control environment within the Council, Internal Audit has developed a system for monitoring and reporting progress against high risk recommendations arising from internal audit inspections.
3. This paper presents a summary of high risk recommendations made to date, along with the progress made against implementation of those recommendations.

Tracking High Risk Recommendations

4. This report sets out the position as at the end of February 2011.

5. Appendix 1 provides detail of progress made to date in addressing high risk recommendations contained in reports issued during 2010/11. The table below provides a summary by Directorate.

	Customer and Shared Services	Children's Services	Sustainable Communities	Social Care Health and Housing	Total	%
No. of reports	16	1	2	1	20	
Recs:						
Completed GREEN	47	5	4	1	57	76
Ongoing-On schedule for completion within timescales GREEN	2	0	0	0	2	3
No work started Within target GREEN	3	0	0	0	3	4
Ongoing with deadline missed AMBER	12	0	1	0	13	17
No work started Deadline missed RED	0	0	0	0	0	0
Total Recs.	64	5	5	1	75	100

Although progress has been made on implementing the high risk recommendations, 17% are ongoing with target missed within the agreed timescales.

6. Appendix 2 provides details of high risk recommendations where implementation of the recommendation is running behind planned completion dates.
7. Wherever possible evidence has been obtained to support the implementation of recommendations. However, in some instances, verbal assurance has been obtained. Where this is the case, further evidence will be obtained to support the assurances given.

National Non Domestic Rates (NNDR) and Council Tax Managed Audits

8. The Audit Committee at its meeting on 17th January 2011 requested a report detailing progress made in addressing control issues in the National Non Domestic Rates and Council Tax processes.
9. Internal Audit has had regular update meetings with relevant officers to track progress. The position as at the end of February is summarised in the tables below:

10.

Review	Number of Recs	Completed	Ongoing - On schedule for completion with set timescales GREEN	Ongoing - with deadline missed AMBER	No work started - within target GREEN	No work started - target missed RED
Council Tax 2009-10						
High	6	5	0	1	0	0
Medium	5	5	0	0	0	0
Low	0	0	0	0	0	0
Total	11	10	0	1	0	0
NNDR 2009-10						
High	5	3	0	2	0	0
Medium	6	5	0	1	0	0
Low	1	1	0	0	0	0
Total	12	9	0	3	0	0

11. The table shows that the majority of recommendations made have been addressed. There is one high priority Council Tax recommendation and two high priority NNDR recommendations that are ongoing with target deadline missed. There is one medium recommendation where work has been substantially completed but not finalised. Further details are set out at Appendix 2.
12. Progress will continue to be monitored. The follow up of audit recommendations forms an integral part of the managed audit reviews.

Future Monitoring

13. Officers responsible for the implementation of recommendations will be contacted regularly to provide updates on progress made. Evidence will be required to support progress made. Where recommendations are ongoing these will continue to be monitored.

Conclusion

14. The continued tracking and reporting of progress on Internal Audit inspections by the Audit Committee will ensure that the Committee has the means to monitor how effectively the high risk recommendations have been implemented.

Appendices:

Appendix 1 – Details of monitoring of High Risk Internal Audit recommendations (Public)

Appendix 2 - Details on those recommendations that are outstanding (Exempt).

Background Papers:

None

Location of papers: Priory House, Chicksands, Bedfordshire