

To: Audit & Governance Committee

Date: 22 September 2014

Report of: Head of Finance

Title of Report: Progress on Implementation of Audit Recommendations

Summary and Recommendations

Purpose of report: To report progress on the implementation of internal and external audit recommendations.

Policy Framework: Budget

Report Approved by:

Finance: Nigel Kennedy

Legal: Jeremy Thomas

Recommendation: That the Committee note the progress with the recommendations listed in Appendix A.

Appendix 1 – Internal and External Audit Recommendation Tracker

Background

1. The outcomes of all internal and external audit reports are reported to this Committee. Each report includes recommendations or agreed actions, a summary of those recommendations which remain outstanding together with updated management responses is provided in Appendix A.
2. Each recommendation is marked with a % complete which correlates to a red/amber/green rating depending on the percentage of completeness. Up to 25% complete is marked red, between 25% and 75% complete is amber and over 75% complete is green. However, any recommendations that are less than 50% complete but have not yet exceeded their expected completion date are also marked red, if they are within one month of their completion date they are marked amber.
3. Any recommendations that were noted as 100% complete at the last meeting have been removed from the tracker.

External Audit Recommendations

4. There are no External Audit recommendations included on the current tracker.

Internal Audit recommendations

5. There has been one new Internal Audit report finalised since the last meeting:
 - a. **Risk Management and Budgetary Control – Low risk rating**
– Four low risk recommendations were raised during the audit, two relating to the operating effectiveness of Risk Management and two relating to the operating effectiveness of Budgetary control. All of these recommendations have now been implemented and are noted on the tracker.
6. There are 15 recommendations on the Internal Audit tracker that are not 100% complete as follows. Ten of the recommendations will be fully implemented once the Councils Asset Management Plan has been presented to City Executive Board in October. The status of the remaining 5 is as follows :
 - a. **Cash and Card Payments** – Cash is no longer in use at St Aldates Chambers. Those services still taking cash are seeing reduced volumes and use of card payments is being promoted and encouraged by staff;
 - b. **Community Centres and Associations** –
 - i. 17 of the 19 Community centres have either a license or a lease. The remaining 2 centres are directly managed. Longer term discussions are on-going
 - ii. The review of the process for repairs and maintenance is in progress but not yet finalised;
 - c. **Fraud Risk Assessment** –
 - i. The implementation of a new case management system is currently being planned. This will have the facility to record all fraud cases
 - ii. Further publicity of houses taken back into stock will arise following the closure of the Housing Amnesty which closes at the end of October
7. The recommendation relating to Housing Benefit quality checks, IA 532 is a recurring recommendation. At least 10% of work processed is now being checked daily. The target is now consistently being met and is expected to continue in this way. These quality checks allow us to make any necessary amendments on a timely basis to ensure Benefits are assessed accurately.
8. There are eight Internal Audit recommendations that are being reported as 100% complete and will be removed from the next report.
9. As previously reported there has been an overall improvement in the outcome of our internal audit reviews over the last two years, with the number of low risk audits increasing significantly, this is an encouraging

direction of travel. The table below details the percentage of reports and their risk ratings.

Risk Rating	13/14		12/13		11/12		10/11	
	No of reports	% of reports	No of reports	% of reports	No of reports	% of reports	No of reports	% of reports
High	1	7%	1	10%	1	7%	2	15%
Medium	0	0%	3	30%	9	60%	8	62%
Low	13	93%	6	60%	5	33%	3	23%
	14		10		15		13	

10. Alongside the reduction in risk rating the number of recommendations has also reduced and any recommendations made are now being dealt with in a much timelier manner. The use of the audit tracker and reporting to the Audit & Governance Committee has increased the focus placed on recommendations and ensured they are dealt with more swiftly.

Financial Implications

11. Whilst this report is primarily for noting there is the potential that financial implications could arise for the Council if recommendations are not implemented and the internal audit of processed and procedures highlight areas of risk.

Legal Implications

12. There are no legal implications arising from the recommendations in this report.

Equalities Impact

13. There are no Equalities implications arising from the recommendations in this report.

Climate change/environmental impact

14. There are no Climate Change implications arising from the recommendations in this report.

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Background papers: None

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