

**To:** Audit & Governance Committee

**Date:** 28th June 2012

**Item No:**

**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:** Financial Control

### **Recommendation(s):**

The Audit and Governance Committee is asked to note progress with the recommendations as listed in the Appendix.

Appendix A – 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 which remain outstanding together with updated management responses are provided in Appendix A.
2. Each recommendation is marked with a % complete which correlates to a red/amber/green rating depending on their percentage complete. Up to 25% complete are marked red, between 25% and 75% complete are amber and over 75% complete are green.
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 red recommendations on the external audit recommendation tracker.

- 5 There are 11 external audit recommendations that are being reported as 100% complete and will be removed from the next report. These include: 9 recommendations arising from the audit of the 2010/11 accounts which have been addressed as part of the 2011/12 closedown process, a recommendation relating to the profit centre approach in Corporate Assets which has also been addressed as part of the 2011/12 closedown process; and a recommendation relating to the Certification of Claims audit.
- 6 There are 2 recommendations that are not as yet 100% complete. One is 70% complete and is expected to be completed by its due date and the other recommendation relating to the historic values associated with HRA properties requires further discussion with external audit but is nonetheless 25% complete.

### **Internal Audit recommendations**

- 7 There have been no new internal audit reports finalised since the last meeting, therefore all recommendations on Appendix A are existing recommendations.
- 8 There are 5 recommendations on the internal audit recommendation tracker that are not 100% complete. However, none have breached their implementation date and progress is being made on each to ensure completion.
- 9 There are 4 internal audit recommendations that are being reported as 100% complete and will be removed from the next report.
- 10 Two recommendations have been given revised forecast completion dates these are:
  - IA340 – completion date amended to 30<sup>th</sup> August 2012 from 31<sup>st</sup> May 2012, this is because a new post has been created through the fundamental service review but has not yet been filled.
  - IA333 – Completion date amended to 31<sup>st</sup> July 2012 from 30<sup>th</sup> June, this is because the Q1 reconciliation can not be completed until after the end of Q1.
- 11 There are no internal audit recommendations that are more than three months over their revised implementation date.

### **Financial Implications**

- 12 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 processes and procedures highlight areas of risk.

### **Legal Implications**

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

**Equalities Impact**

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

**Climate change/environmental Impact**

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

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**Background papers:** None

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