

To: Audit & Governance Committee

Date: 27th June 2013

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:

Recommendation(s):

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

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. However, if there are any recommendations that are less than 50% complete but have not yet exceeded their expected completion date these are also marked as green or amber if they are within one month of their completion date.
3. Any recommendations that were noted as 100% complete at the last meeting have been removed from the tracker.

External Audit Recommendations

There are no red recommendations on the external audit recommendation tracker and therefore no outstanding recommendations which would give cause for concern.

- 4 There are two external audit recommendations.
 - There is one recommendation relating to PC and Laptop assets being recorded with their location which will be completed as part of the Windows 7 upgrade which is currently in progress. However, due to other technical upgrades within the Contact Centre this will not be finally complete until 30th September. Hence there will be a commensurate delay in meeting this target.
 - The second recommendation relates to ensuring that all members complete the annual related party disclosures. These have now been sent out to all members and only three remain outstanding, these are currently being chased.
- 5 There are no external audit recommendations that have exceeded their completion date.

Internal Audit recommendations

- 6 There are no new internal audit reports that have been finalised since the last meeting,
- 7 There are 5 recommendations on the internal audit recommendation tracker that are not 100% complete. Four of these recommendations relate to HR policy reviews which have had revised implementation dates. The recommendation relating to the M Drive project is expect to complete by Sept 2013 as the Windows 7 project completes.
- 8 The recommendation relating to Housing Benefit quality checks is a follow up from prior year. This is the recommendation that the Committee have previously been keen to track, therefore although it is marked as 100% complete it is expected that this will remain on the tracker through the year. This will allow the Committee to follow its progress. The target of checking 10% of data is now being met, and will continue to be processed throughout the year.
- 9 There is one internal audit recommendation that is being reported as 100% complete and will be removed from the next report.
- 10 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	12/13		11/12		10/11	
	No of reports	% of reports	No of reports	% of reports	No of reports	% of reports
High	0	0%	1	7%	2	15%
Medium	3	27%	9	60%	8	62%
Low	8	73%	5	33%	3	23%
	11		15		13	

11 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

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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