

To: Audit & Governance Committee

Date: 15 September 2015

Item No:

Report of: Head of Financial Services

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.

Key decision: No

Executive Lead Member: Councillor Ed Turner

Policy Framework: Corporate Plan – Efficient, Effective Council

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 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 exceeded their original expected completion date are also marked red. Those recommendations that will be completed up to one month later than their original expected completion date are also marked as amber.

3. Any recommendations that were noted as 100% complete at the last meeting of the Audit and Governance Committee have been removed from the tracker.

External Audit Recommendations

4. There are no external audit recommendations to report to Committee.

Internal Audit recommendations

5. There have been three new Internal Audit reports finalised since the last meeting of the Audit and Governance Committee:
 - a. **Managing Capital Projects – Advisory Report** –a review of the governance processes over the Capital Programme and a high level review of the project management documentation was also sampled, a number of recommendations came out of this review including clarity of the Project Initiation Documentation (PID) requirements; review of £100k threshold; improvement of budget profiling and future deep dive audits for major projects. A copy of this report can be found elsewhere on this agenda.
 - b. **Investment Properties – Low risk rating** – One medium risk was identified during this audit and relates to the communication between the teams which has led to rent arrears in some cases.
 - c. **Housing Allocations – Low risk rating** – One medium risk and three low risk recommendations were made. The medium risk recommendation relates to the timeliness and monitoring of the application process and the low risk recommendations relate to monitoring of re-registration on the housing register; information held for reporting appeals is not sufficient and missing information in the assessment documentation.
6. There is one recommendation relating to Community Centres that is not 100% complete and has passed its forecast completion date, the status of this is that the review of the process for repairs and maintenance is in progress and regular meetings are held to review the division of responsibility.
7. There is also one recommendation which is not yet 100% but has passed its original forecast completion date relating to recording fraud cases onto a system. The new system is being rolled out to replace the existing case management system and will be complete over the coming weeks.
8. There are 11 Internal Audit recommendations that are being reported as 100% complete and will be removed from the next report.
9. In 2014/15 there were no high risk reports but a larger proportion of medium risk reports, this was due to new areas of the business being audited and capturing risks that had not previously been identified. Many of these have now been addressed. Quarter 1 is ordinarily a quiet quarter for reviews and therefore only two audits have been completed so far.

Risk Rating	15/16		14/15		13/14		12/13	
	No of reports	% of reports						
High	0	0%	0	0%	1	8%	1	10%
Medium	2	100%	6	46%	0	0%	3	30%
Low	0	0%	7	54%	12	92%	6	60%
	2		13		13		10	

10. Alongside the reduction in risk rating all 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 will ensure these recommendations are dealt with more swiftly.

Internal Audit contract

11. The contract with PWC expires at the end of September 2015 and new auditors have been appointed to carry out the Council's Internal Audit provision from the 1st October 2015.

12. PWC are still finalising five audit reviews of which fieldwork has been completed and the reports are being drafted. These reports will be finalised by PWC and reported in a final report to A&G in December.

13. The Council's new auditors will start discussions with senior officers and the Chair of the A&G Committee about commencing work on the residual elements of the audit plan.

Financial Implications

14. 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 audit have highlighted areas of risk or areas for improvement.

Legal Implications

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

Equalities Impact

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

Climate change/environmental impact

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

Name and contact details of author:

Anna Winship
 Financial Accounting Manager
 Telephone: (01865) 252517
 awinship@oxford.gov.uk

Background papers: None