

REPORT ON INTERNAL AUDIT RECOMMENDATIONS OUTSTANDING

Audit Committee - 29 September 2016

Report of the: Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Searles

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Recommendation to Audit Committee: That Members:

- a) review the information in Appendix A and request further information or explanation as appropriate;
- b) note the reasons for delayed implementation, where the ranking is medium or high, and endorse the revised dates for implementation provided by management, as set out in Appendix B to the report; and
- c) note the reasons provided by Management for those recommendations where implementation is no longer intended, as detailed in Appendix C to the report.

Introduction

- 1 This report updates Members on progress of the implementation of Internal Audit Recommendations agreed with management, and to report on outstanding recommendations due for implementation by 31 July 2016.
- 2 The report also informs the Committee where implementation dates have been revised, where agreed recommendations have not been implemented or are no longer intended.

Summary of Issues Raised Within the Report

- 3 Appendix A provides a summary of the reports for which management had agreed recommendation implementation dates, for the period to 31 July 2016. Internal Audit has obtained the current status from the responsible managers, but it should be noted that, where implementation has been confirmed, Internal Audit has not yet undertaken any additional testing to

verify this. Implementation checks will be carried out in due course, usually between 3 to 6 months of the agreed implementation date.

- 4 Appendix B provides details of agreed recommendations (where the Priority/Ranking is medium or high) where management have advised Internal Audit that implementation of the actions agreed has initially been delayed from the date originally stated. Enquires with management indicates that satisfactory progress is being made, or proposed; and that there are no major concerns arising as a result of the change in implementation dates. However Internal Audit will continue to monitor progress where appropriate and report back to the Audit Committee as necessary.
- 5 Appendix C provides details of where Management consider that implementation of recommendations is no longer intended.

Key Implications

Financial

- 6 This report has no financial implications.

Legal Implications and Risk Assessment Statement

- 7 The purpose of Internal Audit recommendations is to manage identified risks and improve internal controls and value for money in service provision. Consequently risk profiles may increase in areas where the implementation of recommendations is delayed, if there are no compensating mitigating controls in place. This may have potential financial and legal consequences for the Council. Members' consideration of this report will facilitate the Council's ability to manage such risks.

Value for Money and Asset Management

- 8 Timely implementation of Internal Audit recommendations would facilitate the Council's ability to obtain greater value for money and guard against waste, inefficiency and identified risks.

Equality Assessment

- 9 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

10. The report on recommendations outstanding enables Members to review the timeliness of implementation of Internal Audit recommendations. When recommendations have not been implemented, it enables Members to seek explanations, or agree revised dates. If management propose not to action recommendations and accept the risk, Members can review this action to determine if it meets the objectives of the Committee and the Council's risk

appetite. Where appropriate, Members may request responsible management to attend the Committee and provide further explanations as necessary.

Appendices

Appendix A - Summary of recommendations followed up

Appendix B - 'Overdue' recommendations where implementation delayed (ranking medium or high)

Appendix C - 'Overdue' recommendations where management advise that implementation is no longer intended

Background Papers:

None

**Adrian Rowbotham
Chief Finance Officer**