

Implementation of Internal Audit Recommendations: Summary of Progress
Report by Head of Finance

Summary: This report updates members on progress in implementing Internal Audit recommendations arising out of audits carried out since 2013/14.

Recommendation: That the report be noted.

1 Introduction

- 1.1 It has been agreed that this Committee will receive a regular update of progress made in implementing Internal Audit report recommendations, focusing on outstanding recommendations and including timescales for completion of any outstanding work.
- 1.2 This report summarises the current position regarding recommendations arising out of internal audit reports which have been produced since 2013/14. It sets out in the appendix details of:
- recommendations not yet implemented;
 - recommendations not implemented at the time of the last meeting which have since been implemented; and
 - new recommendations since the last meeting.

2 Summary of Progress

- 2.1 In the previous report to this Committee in July, two medium priority recommendations relating to Procurement policies and procedures were identified as outstanding. Two low priority recommendations relating to Corporate Governance and Risk Management were reported as agreed, with actions due to be completed by September. One of the Procurement recommendations has since been completed, with actions underway in respect of the other. The two Corporate Governance and Risk Management recommendations have also been completed. Details of all actions taken are set out in the appendix.

3 Internal Audit Programme 2014/15

- 3.1 No audits have been completed since the last meeting of the Committee. An audit of Consultation Activities and Partnership Provisions and an IT audit of End User Controls are scheduled for the third quarter of 2014/15 and the regular annual Key Controls audit will be undertaken in quarter four. The

outcomes of these audits will be reported to a future meeting of the Committee

- 3.2 Details of actions to date in response to outstanding recommendations are set out in the appendix.

Background papers: None

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Date of report: 5 September 2014

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Summary of Actions / Responses to Internal Audit Recommendations 2013/14 – 2014/15

Summary of Actions / Responses to Internal Audit Recommendations 2013/14 – 2014/15

Procurement: October 2013

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>2. Contracts Register The Authority should review and update its contract register to confirm that all known contracts are recorded. Responsible officers for individual contracts should be identified.</p> <p>The Contracts Register should be a record of all current contracts and used as a management tool to identify contracts which are due to expire and as a result prompt review and timely procurement activity.</p>	Medium	Head of Finance	Completed. The contract register has been reviewed and updated into a spreadsheet format to include additional information as recommended by the LGA best practice template. This includes reporting / triggers for actions required by responsible officers.	<p>By 30/04/2014</p> <p>Revised Target Date: 31/08/2014</p>
<p>3. Purchase Ledger Review Monitoring and reporting of data from the purchase ledger should be undertaken on a periodic basis.</p> <p>In particular, a review of aggregate supplier spending (cumulative total of >£5k), should be undertaken to determine whether correct procurement procedures have been applied. This analysis should be undertaken in line with the review of the Contracts Register to determine whether the Contracts Register includes all</p>	Medium	Head of Finance	<p>Partially completed. The aggregate supplier spend data for 2013/14 has been reviewed as part of year-end processes. This has identified 36 of 925 suppliers where the procurement arrangements in place are being further investigated.</p> <p>In future an annual review of aggregate supplier spend and the contract register will be undertaken after the financial</p>	<p>By 30/04/2014</p> <p>Revised Target Date: 31/10/2014</p>

Summary of Actions / Responses to Internal Audit Recommendations 2013/14 – 2014/15

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>contracts.</p> <p>Instances of non-compliance with Contract Standing Orders should be reported to senior management and recurring issues identified to inform staff training.</p>			year end.	

Corporate Governance and Risk Management: May 2014

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
<p>1. Declarations of Interest Declarations of interests by Members should be requested and submitted each year, irrespective of whether there have been any changes and reviewed by the Head of Governance.</p> <p>Any changes need to be publicised on the Authority's website in line with the requirements stipulated in the Localism Act 2011.</p> <p>The completion of updated annual declarations of interests by Members will help to confirm that the Authority's ethical standards and values are</p>	Low	Head of Governance and Executive Assistant	Completed. Members have been requested to submit their declarations of interest each year, after the Authority's Annual Meeting in July, requiring all updates (or confirmations that the declarations remain extant) to be provided in advance of the following meeting of the Authority in September.	By 26/09/2014

Summary of Actions / Responses to Internal Audit Recommendations 2013/14 – 2014/15

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
being maintained and applied by all Members and comply with the requirements of the Localism Act 2011. Review of Declarations of Interest by the Head of Governance will help to confirm that the Authority is not at risk of reputational damage in case of any undeclared interests.				
<p>2. Risk Register The Risk Register should be updated to include:</p> <ul style="list-style-type: none"> 1) A 'Due Date' column should be added onto the Risk Register to clearly state the implementation date of mitigating actions in place. 2) A column should be added showing the score of the risk (probability x severity) following implementation of actions in place as well as additional actions identified by the risk owners. <p>A structured and cohesive Risk Register will help risk owners, management and staff to clearly identify their responsibilities relating to</p>	Low	Head of Governance and Executive Assistant	Completed. Changes have been incorporated in the Risk Register for the six monthly review by Risk Owners and the Management Forum, and are due for annual review by the Financial Scrutiny and Audit Committee at its meeting (23/09/2014).	By 23/09/2014

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Recommendations	Priority Rating	Responsible Officer(s)	BA Response/Action	Timetable
timeframes and deadlines on implementation of mitigating actions. It will also help to confirm that the mitigating actions identified are meaningful and help to reduce the risk probability and severity.				