

Report to: Audit Committee
Date of meeting: 30th September 2010
Report of: Audit Manager
Title: Implementation of Internal Audit Recommendations

1.0 **SUMMARY**
This is the second quarterly report detailing progress made in implementing Internal Audit recommendations. There are no outstanding issues to report.

2.0 **RECOMMENDATIONS**

2.1 The contents of the report be noted.

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Report approved by: Bernard Clarke – Head of Strategic Finance.

3.0 **DETAILS**

3.1 It was reported to the last meeting that recommendations made in two audit reports had not been implemented despite the Audit Manager pursuing the outstanding items with the relevant Head of Service. The reports in question were for the Housing Benefit Subsidy Claim 2008/09 audit and the 2009/10 Benefits Administration audit.

3.2 Since that meeting an external consultant has been employed to carry out a review of the Revenue and Benefits Shared Service and his report has recently been issued. The Audit Manager has agreed with the Head of Revs and Bens that all outstanding Internal Audit recommendations will be dealt with in conjunction with the consultant's recommendations as a single exercise. This includes the two reports shown above plus two more (Council Tax and NNDR) shown on the attached schedule. The Audit Manager will take no further immediate action on these reports.

3.3 The schedule attached to this report shows the latest position on outstanding recommendations. There are no items to be drawn to Committee's attention.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that there are no financial implications in this report.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that there are no legal issues in the report. The Council has a responsibility to ensure that it maintains an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control.

4.3 **Potential Risks**

4.3.1

Potential Risk	Likelihood	Impact	Overall score
Progress in implementing Internal Audit recommendations is not monitored, recommendations are not implemented and as a consequence, internal controls are weakened.	1	3	3

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Internal Audit Files

File Reference

None.

Implementation of Internal Audit Recommendations. Position as 31st August 2010

Audit	No. of Recommendations	Implemented	Not Yet Due	Implementation Date Changed*	Outstanding	Other/ Comment
IT Back-up 09/10	11	2	4	4	-	1 – change of proposed action.
Council Tax 09/10	7	-	-	1	-	6 – delayed pending embedding of new system and consultant’s report.
NNDR 09/10	8	3	-	1	-	3 – as for Council Tax. 1 – not yet applicable
Treasury Management 09/10	10	9	-	-	1	Outstanding recommendation being followed up during current audit (reconciliation of TM records to the Financial Management System)

*Where the implementation date has been changed a follow up will be conducted at the appropriate time.