

## PART A

**Report to:** Audit Committee

**Date of meeting:** 25<sup>th</sup> September 2012

**Report of:** Audit Manager

**Title:** Implementation of Internal Audit Recommendations

### 1.0 SUMMARY

This is the Audit Manager's regular report on progress with the implementation of Internal Audit recommendations. It provides an update on those recommendations reported to Audit Committee as outstanding in June 2012.

### 2.0 RECOMMENDATIONS

2.1 The contents of the report be noted.

#### **Contact Officer:**

For further information on this report please contact: Mark Allen – Audit Manager telephone extension 8104 (Watford) or (01923) 727463 (Three Rivers) email: [mark.allen@watford.gov.uk](mailto:mark.allen@watford.gov.uk)

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

### 3.0 DETAILS

3.1 Responses to the follow up requests were received promptly and are showing good progress towards full implementation.

3.2 The table below summarises progress in implementation of the recommendations for 2010/11, 2011/12 and 2012/13 to date.

Year	Total Recommendations made	Implemented	Not yet due	Request for extended time	Outstanding	% age Implemented
2010/11	213	201	0	12	0	94%
2011/12	82	68	9	5	0	83%
2012/13	1	0	1	0	0	0%

3.3 The 12 requests for extended time for 2010/2011 audits are broken down as follows (the page numbers in brackets relate to the corresponding page of Appendix 1 which details all current recommendations):

- IT Service Desk/Change Management = 2 on hold (page 1)
- Health & Safety = 1 (page 5)
- Asset Management = 1 (page 8)
- IT Remote Working = 8 (page 9)

3.4 The 5 requests for extended time for 2011/2012 audits are broken down as follows:

- Money Laundering = 3 (page 16)
- Vehicle Maintenance = 1 (page 21)
- Gifts & Hospitality = 1 (page 21)

### 3.5 **Internal Audit Reports for 2011/2012**

Final reports have been issued for all planned audits except for the IT Backup & Disaster Recovery, Benefits Administration systems, Council Tax, NNDR, Income Collection, Reconciliations, Budget Monitoring, Financial Procedure Rules and Treasury Management audits which are at draft report stage. The recommendations from these draft reports, and from some of the more recently issued final reports, are not included in the table at 3.2 above but will be included in future updates.

### 3.6 **Internal Audit Reports for 2012/2013**

Final reports have been issued for the Closure of 2011/12 Accounts, Emergency Planning (Olympics Readiness) and West Herts Crematorium audits.

The eFinancials Upgrade, Benefits Subsidy Claims, Asset Management, Procurement, Data Protection, Data Transparency, Partnerships, Risk Management and Carbon Management audits are currently work in progress.

3.7 Appendix 1 provides the detail of the current status of recommendations reflecting responses to the follow up exercise conducted in August 2012.

## 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.