

PART A

Report to: Audit Committee
Date of meeting: 10th January 2013
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 September 2012.

2.0 RECOMMENDATIONS

2.1 The contents of the report be noted.

Contact Officer:

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

3.0 DETAILS

3.1 Requests for information on progress were sent on 6th November with a deadline of 16th November. The majority of responses were received by that deadline.

3.2 The table 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	109	86	18	5	0	79%
2012/13	1	1	0	0	0	100%

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 3)
- Asset Management = 1 (page 5)
- IT Remote Working = 8 (page 7)

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

- IT Project Management = 1 (page 12)
- Money Laundering = 3 (page 12)
- IT Asset Management & Virus Protection = 1 (page 18)

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

Final reports have been issued for all planned audits except for the IT Backup & Disaster Recovery and Reconciliations audits which are at draft report stage. Discussions on the draft recommendations are ongoing. The recommendations from these draft reports are not included in the table at 3.2 above but will be included in future updates once finalised.

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 Cyber Crime, Data Protection, Data Transparency and Carbon Management audits are at draft report stage whilst the eFinancials Upgrade, Benefits Subsidy Claims, Asset Management, Procurement, Partnerships, and Risk Management audits are work in progress.

The managed audits for Benefits Administration, Sundry Debtors, Creditors, Council Tax and NNDR have been allocated and are currently in the planning stage or early fieldwork phase, with audit briefs having been issued for agreement.

Deloitte & Touche have agreed to transfer the remaining 17 IT audit days in the 2012/13 audit plan into 21 general audit days to assist with meeting delivery of the plan prior to the transition to the new management arrangements for Internal Audit.

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