

PART A

Report to: Audit Committee
Date of meeting: 13th March 2013
Report of: Senior Auditor
Title: Implementation of Internal Audit Recommendations

1.0 SUMMARY

This is the Internal Audit'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 January 2013.

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 Requests for information on progress were sent on 17th January 2013 with a deadline of 1st February 2013. 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	203	0	10	0	95
2011/12	114	98	8	8	0	86
2012/13	2	1	0	1	0	50

3.3 The 10 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 (page 1-3)
- Asset Management = 1 (page 7-8)
- IT Remote Working = 7 (page 9-15)

3.4 The 8 requests for extended time for 2011/2012 audits are broken down as follows:

- IT Project Management = 1 (page 16)
- IT Asset Management & Virus Protection = 4 (page 19-21)
- NNDR = 1 (Page 23)
- Council Tax = 1 (Page 24)
- Income management systems = 1 (Page 27)

3.5 One request for extended time for 2012/13 audits for IT Server Virtualisation = 1(see page 30).

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

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

The Cybercrime, Data Protection, Carbon Management, Partnerships and Risk Management audits are at draft report stage.

The managed audits for FMS Reconciliations, FMS Journals and Internal transfers, Benefits Administration, Sundry Debtors, Creditors, Council Tax, Income Collection and NNDR have been allocated and are currently at fieldwork phase. The Payroll/Expenses Audit has been allocated to Deloitte & Touche and is in the planning stage.

3.7 Appendix 1 provides the detail of the current status of recommendations reflecting responses to the follow up exercise conducted in February 2013.

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.