

**Report to:** Audit Committee  
**Date of meeting:** 30<sup>th</sup> June 2011  
**Report of:** Acting Audit Manager  
**Title:** Implementation of Internal Audit Recommendations

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1.0 **SUMMARY**

This is the Acting Audit Manager's regular report highlighting any lack of progress in implementing Internal Audit recommendations.

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 In March 2011 it was reported to Audit Committee that recommendations relating to **Council Tax** and **NDR** are subject to progress made in addressing the findings of the consultant's report on Revenues and Benefits. This remains the case. Implementation of the action plan from the consultant's report is subject to ongoing reporting to the Shared Services Joint Committee and Watford's Audit Committee by the Head of Revenues & Benefits.

3.2 In relation to the **IT Back-up and Restore report**, it was reported in March 2011 that some recommendations had been implemented – most importantly that back ups are now being stored at Three Rivers – but there were delays on others. All recommendations should be resolved once the new SAN and back up contract is finalised. This will be followed up in detail during the audit of Disaster Recovery & Back-up arrangements scheduled to commence in July 2011.

3.3 **Procurement.** All recommendations in the report are based on the promotion of good procurement practice and reporting of savings. They were originally accepted for implementation by the Procurement Officer who has since left the Council and has yet to be replaced. Revised implementation dates of June 2011 have been suggested by the Head of Strategic Finance whilst Watford and Three Rivers are using EEDA money to carry out a review of the procurement function. The Head of Strategic Finance continues to monitor savings on contracts in the meantime.

#### 3.4 **Health & Safety Follow Up**

The Head of Human Resources produced a report on 03/05/2011 detailing progress with the implementation of recommendations from the original Internal Audit report in 2009/2010. In summary, of the original 36 actions raised:

- 20 have been completed;
- 4 are no longer required;
- 7 have been actioned and have on-going requirements; and
- 5 have not yet been progressed – these 5 are all in hand and will be actioned over the next 2/3 months.

3.5 There are no other outstanding recommendations to report to Committee.

### 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.