

FOLLOW UP AUDITS

RECOMMENDATION

- 1.1 To review the schedule in Appendix 2 and approve the action proposed by the Head of Audit and Risk Management.

SUPPORTING INFORMATION

- 2.1 A follow up exercise on the progress of implementation of internal audit recommendations was carried out in November 2008. The responses are detailed in Appendix 2.
- 2.2 The schedule includes an assessment by the Head of Audit and Risk Management as to whether any further action should be taken in respect of each audit. This assessment is detailed in the final 2 columns of the schedule. The assessment will be whether to carry out an actual audit of the progress on implementation or whether the Audit and Accounts Committee needs to call in the Manager to explain progress.
- 2.3 Of the 23 audits subjected to a follow-up, responses have been received for all. The table below summarises the overall position on the implementation of audit recommendations followed-up.

Rec. Rank	Recommendations		As per Management's Response to Follow-up Questionnaire			
	Made	Accepted	Implemented	Being Implemented	Not Implemented	Superseded
Fundamental	0	0	0	0	0	0
Significant	40	40	24	12	0	4
Merits Attention	121	121	106	8	0	7
Totals	161	161	130	20	0	11

- 2.4 Based on the responses from Managers, Internal Audit is not proposing to carry out any specific follow up work on these audits.

- 2.5 Another 12 Financial Management Standard in Schools (FMSiS) external assessments and 5 school audits were undertaken during the same period, which have not been formally followed up as part of this exercise. The implementation of all of the significant matters arising from the external assessments were followed up as part of the assessment exercise and all 12 of the schools have implemented our significant recommendations and have now achieved the FMSiS. The best practice advice provided by Audit during the external assessments has been recorded as merits attention recommendations to conform with Internal Audit's own management system. As the best practice advice only seeks to improve on already satisfactory processes, we do not intend to formally follow up the implementation of any of these "merits attention" recommendations, until the schools are given their next FMSiS external assessment. These are undertaken in a 3 year cycle. The 5 school audits have already been scheduled in for FMSiS external assessments; 3 will be undertaken in this year's Audit Plan and the remaining 2 are to be covered in next year's Audit Plan.
- 2.6 The Audit work undertaken in respect of these schools, accounts for the following number of recommendations.

Rec. Rank	Recommendations		As per Audit's current knowledge of the situation			
	Made	Accepted	Implemented	Being Implemented	Not Implemented	Superseded
Fundamental	0	0	0	0	0	0
Significant	43	43	37	6	0	0
Merits Attention	158	158	16	142	0	0
Totals	201	201	53	148	0	0

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Background papers:

List of appendices: Appendix 1 – Implications
Appendix 2 – Schedule of follow up audits

IMPLICATIONS

Financial

1. None directly arising.

Legal

2. None directly arising.

Personnel

3. None directly arising.

Equalities impact

4. None directly arising.

Corporate objectives and priorities for change

5. The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

Appendix 2

Job Name	Overall Control Rating	Rec. Rank	Recommendations		As per Management's Response to Follow-up Questionnaire				Reasons to Call-in or not	Call-in	Follow-up Audit Required
			Made	Accepted	Implemented	Being Implemented	Not Implemented	Superseded			
Regeneration & Community Department											
RTI - Chellaston	Satisfactory	Fundamental	0	0	0	0	0	0	We are satisfied with the progress being made.	No	No
		Significant	4	4	2	2	0	0			
		Merits Attention	3	3	2	1	0	0			
BV 223, BV 224 a & b Condition of Principal & Unclassified Roads	Good	Fundamental	0	0	0	0	0	0	All issues have now been addressed.	No	No
		Significant	0	0	0	0	0	0			
		Merits Attention	2	2	2	0	0	0			
Debtors - Credit Notes R&C	Satisfactory	Fundamental	0	0	0	0	0	0	This area will be revisited as part of the Debtors managed audit. Aspects relating to credit notes will be considered in this years audit as there is still some uncertainty around the functionality of Oracle.	No	No
		Significant	2	2	0	2	0	0			
		Merits Attention	2	2	2	0	0	0			
BV 170 a, b & c Visits to Museums	Satisfactory	Fundamental	0	0	0	0	0	0	We have received acceptable responses to our recommendations but the control environment has undergone significant changes since our first review.	No	No
		Significant	2	2	2	0	0	0			
		Merits Attention	6	6	6	0	0	0			
Children & Young People's Department											
Bute Walk - Establishment Visit	Marginal	Fundamental	0	0	0	0	0	0	We are happy with the progress being made. Automated controls, brought about by the introduction of Oracle, have led to some the recommendations being no longer applicable.	No	No
		Significant	4	4	0	0	0	4			
		Merits Attention	17	17	12	1	0	4			
Investigation - Hardwick Primary School: Systems Weaknesses	Unsatisfactory	Fundamental	0	0	0	0	0	0	We are satisfied with the progress being made.	No	No
		Significant	7	7	5	2	0	0			
		Merits Attention	3	3	2	1	0	0			
Early Years	Good	Fundamental	0	0	0	0	0	0	All issues have now been addressed.	No	No
		Significant	2	2	2	0	0	0			
		Merits Attention	4	4	4	0	0	0			

Job Name	Overall Control Rating	Rec. Rank	Recommendations		As per Management's Response to Follow-up Questionnaire				Reasons to Call-in or not	Call-in	Follow-up Audit Required
			Made	Accepted	Implemented	Being Implemented	Not Implemented	Superseded			
Debtors - Credit Notes C&YP	Satisfactory	Fundamental	0	0	0	0	0	0	This area will be revisited as part of the Debtors managed audit. Aspects relating to credit notes will be considered in this years audit as there is still some uncertainty around the functionality of Oracle.	No	No
		Significant	2	2	1	1	0	0			
		Merits Attention	2	2	2	0	0	0			
St Andrews Special School 2006-07	Good	Fundamental	0	0	0	0	0	0	Internal Audit has since undertaken the FMSIS external assessment at this school and all the recommendations raised in this report had been appropriately addressed and the school has now achieved the Standard.	No	No
		Significant	1	1	1	0	0	0			
		Merits Attention	13	13	13	0	0	0			
Chellaston Infant School 2006-07	Good	Fundamental	0	0	0	0	0	0	Internal Audit has since undertaken the FMSIS external assessment at this school and all the recommendations raised in this report had been appropriately addressed and the school has now achieved the Standard.	No	No
		Significant	1	1	1	0	0	0			
		Merits Attention	12	12	12	0	0	0			
Allenton Community Primary 2006-07	Good	Fundamental	0	0	0	0	0	0	Internal Audit has since undertaken the FMSIS external assessment at this school and all the recommendations raised in this report had been appropriately addressed and the school has now achieved the Standard.	No	No
		Significant	2	2	2	0	0	0			
		Merits Attention	8	8	8	0	0	0			
Resources Department											
Revenues: Bailiffs Service	Good	Fundamental	0	0	0	0	0	0	We are satisfied with the progress being made in this area.	No	No
		Significant	0	0	0	0	0	0			
		Merits Attention	5	5	4	1	0	0			
H&CTB - Fraud Prevention & Detection	Good	Fundamental	0	0	0	0	0	0	All issues have now been addressed.	No	No
		Significant	0	0	0	0	0	0			
		Merits Attention	6	6	6	0	0	0			
Council Tax 2007-8 - Refunds & Recovery	Good	Fundamental	0	0	0	0	0	0	This area is revisited each year under the managed audit arrangements, implementation status will be checked in this year's audit.	No	No
		Significant	1	1	0	1	0	0			
		Merits Attention	2	2	2	0	0	0			
Cashiers 2007-8	Good	Fundamental	0	0	0	0	0	0	We are satisfied with the responses received. The Cashier's function is due to cease in its current format.	No	No
		Significant	0	0	0	0	0	0			
		Merits Attention	2	2	2	0	0	0			

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			Made	Accepted	Implemented	Being Implemented	Not Implemented	Superseded			
NNDR 2007-8 - Recovery & Enforcement	Good	Fundamental	0	0	0	0	0	0	This area is revisited each year under the managed audit arrangements, implementation status will be checked in this year's audit.	No	No
		Significant	2	2	2	0	0	0			
		Merits Attention	2	2	2	0	0	0			
Derwent Community Team - Project Control	Satisfactory	Fundamental	0	0	0	0	0	0	We are satisfied with the progress being made in this area.	No	No
		Significant	3	3	3	0	0	0			
		Merits Attention	11	11	10	1	0	0			
Environmental Services Department											
BV 199 a, b & c Street and Environmental Cleanliness	Good	Fundamental	0	0	0	0	0	0	All issues have now been addressed.	No	No
		Significant	0	0	0	0	0	0			
		Merits Attention	5	5	5	0	0	0			
Corporate & Adult Services Department											
LPSA2 Target 11 Improving Opportunities	Marginal	Fundamental	0	0	0	0	0	0	This LPSA is no longer a active performance indicator and funding ceased at the end of 2007/08.	No	No
		Significant	4	4	1	3	0	0			
		Merits Attention	6	6	4	1	0	1			
Members Allowances	Good	Fundamental	0	0	0	0	0	0	All issues have now been addressed.	No	No
		Significant	0	0	0	0	0	0			
		Merits Attention	3	3	3	0	0	0			
BV 183a & BV203 B&B & Temp Accommodation, BV213 & LPSA T10 Prevent & Reduce Homelessness	Satisfactory	Fundamental	0	0	0	0	0	0	This audit was followed up in Jul 08, as we were required to verify systems in place for measuring LPSA performance prior to submission of the grant claim, we are now satisfied with the control environment in place.	No	No
		Significant	2	2	2	0	0	0			
		Merits Attention	5	5	2	1	0	2			
Supporting People - Sources of Evidence	Good	Fundamental	0	0	0	0	0	0	The issue has been addressed.	No	No
		Significant	0	0	0	0	0	0			
		Merits Attention	1	1	1	0	0	0			
Debtors - Credit Notes C&AS	Satisfactory	Fundamental	0	0	0	0	0	0	This area will be revisited as part of the Debtors managed audit. Aspects relating to credit notes will be considered in this years audit as there is still some uncertainty around the functionality of Oracle.	No	No
		Significant	1	1	0	1	0	0			
		Merits Attention	1	1	0	1	0	0			

