



## COUNCIL CABINET 22 February 2005

### Report of the Scrutiny Management Commission

## Internal Audit – Interim Report on Progress

### RECOMMENDATION

1. That the period that managers were allowed in which to respond to a draft report should be reduced from six weeks to four weeks and that managers are instructed that a response is mandatory.

### SUPPORTING INFORMATION

#### Background

- 2.1 The Internal Audit Interim Report on Progress was considered by the Scrutiny Management Commission at its meeting on 31 January 2005. The report, which had been considered by Council Cabinet on 18 January 2005, gave details of the internal audits that had been conducted during the period April to December 2004. Recommendation 1.2 of the report to Council Cabinet was 'To agree to waive contract procedure rules to ensure audit agency resources to be brought in to secure delivery of the 2004/05 audit plan, as set out in Appendix 1'.
- 2.2 Richard Boneham, the Head of Audit, informed the Commission that there was little compromising the internal control of the Council. However he said that Internal Audit had experienced some delays in obtaining the feedback from managers on draft audit reports. To avoid delays in issuing final reports, Internal Audit had now implemented a procedure whereby any draft report not responded to within six weeks of the date of issue is sent to the appropriate Chief Officer to secure a response.
- 2.3 Richard Boneham also explained that there was a shortage of audit providers and that the proposal to waive contract procedure rules was to enable Internal Audit to bring in the additional resources they needed in order to complete the 2004/05 audit plan.

#### Issue(s)

- 2.4 Having considered the Interim report, Commission members expressed a view that the period of six weeks that managers were allowed in which to

respond to a draft report was too long. Members were of the opinion that this period should be reduced to four weeks because internal audit was important and it did not seem it was being taken as seriously as it should. It was felt that procedures should not be changed to make it more convenient to managers. Members also expressed their concerns about the proposal to waive contract procedure rules. Members were concerned at the lack of response to the Audit report in some areas, for example 'Going Places'. Managers needed to be aware that a lack of response was not acceptable.

### **Conclusions of the Commission**

2.6 The Commission agreed that the period that managers were allowed in which to respond to a draft report should be reduced from six weeks to four weeks and that responding to Audit reports is mandatory.

### **Recommendations of the Commission**

2.7 That the period that managers were allowed in which to respond to a draft report should be reduced from six weeks to four weeks and that managers are instructed that responding to Audit reports is mandatory.

### **Reasons for Commission's Recommendations**

2.8 The Commission considered that internal audit was important and it did not seem that it was being taken as seriously as it should. It was felt that procedures should not be changed to make it more convenient to managers.

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<b>Background papers:</b>	Background papers - None
<b>List of appendices:</b>	Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

1. None arising from this report.

**Legal**

2. None arising from this report.

**Personnel**

3. None arising from this report.

**Equalities impact**

4. It is of benefit to all Derby people for the Council to identify and minimise the risks associated with its activities.

**Corporate objectives and priorities for change**

5. This report has the potential to link to the following of the Council's Corporate Objectives and Priorities for Change

Corporate Objectives: Integrated cost effective services

Priorities for Change: Responding to people's needs appropriately