

## **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 October 2007. 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.
- 2.4 Of the 39 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.

Recommendations		As per Management's Response to Follow-up Questionnaire			
Made	Accepted	Implemented	Being Implemented	Not Implemented	Superseded
389	387	308	42	7	31

- 2.5 Based on the responses from Managers, Internal Audit is proposing to carry out follow up work on Accounting Systems and on Financial Services - Control Accounts where recommendations have been superseded by the implementation of the new financial management system (Oracle Financials). This work will be conducted as part of the 2007/8 audits in these 2 areas.

**For more information contact:** Richard Boneham, Head of Audit and Risk Management, 01332 255688  
richard.boneham@derby.gov.uk

**Background papers:**

**List of appendices:**

Appendix 1 – Implications

Appendix 2 – Schedule of follow up audits

<b>IMPLICATIONS</b>
---------------------

**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			Made	Accepted	Implemented	Being Implemented	Not Implemented	Superseded			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											
BVPI 82a, 82b & 84 (Houshold Waste Collected, Recycled etc.) 2005-6	Good	Fundamental							We are satisfied with the responses received.	No	No
		Significant									
		Merits Attention	3	3	2	1					
External Funding Unit - Systems	Good	Fundamental							No action was agreed for the recommendation not implemented due to resource constraints.	No	No
		Significant									
		Merits Attention	4	4	1	2	1				
Assembly Rooms - Streamlining of Processes	N/A	Fundamental							We are happy with the progress being made.	No	No
		Significant									
		Merits Attention	3	3		3					
Capital Programme - Development & Cultural Services	Good	Fundamental							We are happy with the progress being made.	No	No
		Significant	1	1	1						
		Merits Attention	3	3	1	1		1			
D&CS Client Monitoring - Refuse Collection & Horticultural Maintenance	Marginal	Fundamental							We are happy with the progress being made.	No	No
		Significant	4	4		4					
		Merits Attention	4	4	1	3					
Building Control	Good	Fundamental							Being implemented - due to Mick Henman's absence. Plans in place to implement these merits attention recommendations.	No	No
		Significant	3	3	3						
		Merits Attention	4	4	2	2					
D & CS Advertising Boards	Unsatisfactory	Fundamental							Management have previously reported upon the agreed actions to Audit & Accounts Committee.	No	No
		Significant	8	8	8						
		Merits Attention	4	4	4						
Children & Young People's Department											
Osmaston/Allenton Sure Start Establishment Visit	Satisfactory	Fundamental							We are happy with the progress being made.	No	No
		Significant	5	4	5						
		Merits Attention	5	5	4	1					

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			
Adoption & Fostering	Good	Fundamental							We are happy with the progress being made.	No	No
		Significant	1	1	1						
		Merits Attention	8	8	7	1					
Investigation - Cavendish Close Junior School	Marginal	Fundamental							We are happy with the progress being made.	No	No
		Significant	4	4	4						
		Merits Attention	4	4	3	1					
Derby Moor Community School	Satisfactory	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No
		Significant	3	3	3						
		Merits Attention	17	17	15			2			
St Benedict Catholic School	Good	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No
		Significant	2	2	2						
		Merits Attention	8	8	6			2			
Noel Baker Community School	Good	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No
		Significant	3	3	3						
		Merits Attention	12	12	11	1					
Woodlands Community School	Satisfactory	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No
		Significant	4	4	4						
		Merits Attention	20	20	19	1					
Chellaston School	Good	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No
		Significant	4	4	4						
		Merits Attention	8	8	7	1					
Bemrose Community School	Good	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No
		Significant									
		Merits Attention	12	12	11	1					
West Park Community School	Satisfactory	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No
		Significant	5	5	5						
		Merits Attention	14	14	12	1		1			

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				
Littleover Community School	Satisfactory	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No	
		Significant	3	3	3							
		Merits Attention	15	15	15							
Sinfin Community School	Satisfactory	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No	
		Significant	3	3	3							
		Merits Attention	19	19	17			2				
da Vinci	Satisfactory	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No	
		Significant	3	3	3							
		Merits Attention	22	22	22							
Merrill College	Satisfactory	Fundamental							The school has been assessed and has successfully achieved the FMS Certificate that is valid for 3 years.	No	No	
		Significant	3	2	2							
		Merits Attention	18	18	18							
Resources Department												
Debtors 2005-6	Good	Fundamental							This area is revisited each year under the managed audit arrangements, the issue not implemented will be specifically reviewed in the next audit.	No	No	
		Significant										
		Merits Attention	8	8	2	3	1	2				
Accounting Systems: Journals & Virements 2005-6	Satisfactory	Fundamental							We are satisfied with the responses received and the area will be revisited under the managed audit arrangements.	No	Yes	
		Significant	2	2				2				
		Merits Attention	4	4				4				
Financial Services - Control Accounts	Good	Fundamental							One of the superseded recommendations relates to the records now been held electronically. The area will be revisited under the managed audit arrangements.	No		Yes
		Significant										
		Merits Attention	5	5	3			2				
Cashiers: Collections & Deposits	Satisfactory	Fundamental							This area is revisited each year under the managed audit arrangements, implementation status will be checked in this year's audit.	No	No	
		Significant	3	3	3							
		Merits Attention	6	6	6							
Main Accounting System 2006-7	Good	Fundamental							This area is revisited each year under the managed audit arrangements, implementation status will be checked in this year's audit.	No	No	
		Significant										
		Merits Attention	3	3	3							

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			
Council Tax 2006-7 - Billing & Write-offs	Satisfactory	Fundamental							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						
		Merits Attention	5	5	4	1					
NNDR 2006-7 - Billing & Refunds	Good	Fundamental							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	1						
		Merits Attention	2	2	1	1					
Treasury Management - 2006-7	Good	Fundamental							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		1					
		Merits Attention	3	3	2	1					
H&CTB - Post Opening	Good	Fundamental							This area is revisited each year under the managed audit arrangements, implementation status will be checked in this year's audit.	No	No
		Significant									
		Merits Attention	4	4	4						
Environmental Services Department											
Springwood Sports Centre - Security	Satisfactory	Fundamental							We accept the rationale behind the non-implementation of 1 recommendation that is prohibited by cost implications.	No	No
		Significant	3	3	1	1	1				
		Merits Attention	7	7	4	1		2			
Moorways Sports Centre - Security & Stock Control	Marginal	Fundamental							We are happy with the progress being made.	No	No
		Significant	3	3	3						
		Merits Attention	13	13	8	3		2			
BV 218 a & b Abandoned Vehicles	Satisfactory	Fundamental							All issues have now been addressed.	No	No
		Significant	1	1	1						
		Merits Attention	3	3	3						
Corporate & Adult Services Department											
Markets Car Parking Income	Unsound	Fundamental							Management have previously reported upon the agreed actions and those not implemented to Audit & Accounts Committee.	No	No
		Significant	11	11	9		2				
		Merits Attention	4	4	2	1	1				
Allenton Market	Satisfactory	Fundamental							We are happy with the rationale behind the non-implementation of 1 recommendation.	No	No
		Significant	3	3	3						
		Merits Attention	10	10	8		1	1			



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			
Payroll 2005-6	N/A	Fundamental							We are happy with the progress being made.	No	No
		Significant									
		Merits Attention	4	4	2	1		1			
Employment Agency Contract (Comensura)	N/A	Fundamental							We are satisfied with the responses received.	No	No
		Significant	2	2		1		1			
		Merits Attention	1	1	1						
The Knoll Hostel 2006-7	Good	Fundamental							The Knoll has now been closed, hence the superseded responses.	No	No
		Significant									
		Merits Attention	6	6				6			
Investigation - Personal Allowance	N/A	Fundamental							Responsible Officer has since retired and staff movements have delayed implementation to June 2008.	No	No
		Significant									
		Merits Attention	3	3		3					