

REPORT OF: Director of Business Transformation

TO: Civic Affairs Committee

17 February 2016

WARDS: All

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## **IMPLEMENTATION OF AGREED INTERNAL AUDIT ACTIONS**

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### **1 INTRODUCTION**

- 1.1 At the Committee meeting in September 2015, Members expressed a desire for the numbers of outstanding agreed Internal Audit actions to be reduced. Members resolved that a further report on the outstanding and overdue actions be brought back to a future meeting including:
- steps proposed to resolve
  - target dates
  - senior officer accountability

The purpose of this report is therefore to provide Members with an up to date position on overdue Internal Audit actions.

- 1.2 Internal Audit reports include management action plans to address weaknesses in control identified during an audit. The effective implementation of these action plans, within timescales determined by management, is essential to ensure that risks are managed effectively.
- 1.3 All agreed Internal Audit actions are recorded on the Council's risk register and are monitored for implementation by the Strategic Leadership Team on a half yearly basis. Quarterly reports on outstanding actions are also issued to all Directors.
- 1.4 In addition, Internal Audit currently undertakes follow-up audits on those areas that originally received a 'limited' or 'no' assurance rating, to ensure that progress has been made with agreed actions.

### **2 RECOMMENDATIONS**

- 2.1 That Members of Civic Affairs Committee note progress made on implementation of Internal Audit agreed actions.

### 3 PREVIOUS REPORTS TO COMMITTEE

- 3.1 As part of this committee's forward plan, Internal Audit provides an update on the outcomes of our Audit work together with analysis as to the progress with agreed actions to improve the control environment. This update was last submitted to this committee in September 2015 when the summary position was as detailed in the table below:

**Table 1: Action Status (As at 11 August 2015)**

<b>ANALYSIS OF ACTIONS</b>					
	<b>Pre 2012</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>TOTAL</b>
Total Overdue	5	6	15	13	39
<b>ANALYSIS BY DEPARTMENT</b>					
Bus. Transformation	1	4	5	2	12
Chief Executive	-	-	-	-	-
Customer/Community	2	2	8	2	14
Environment	2	-	2	9	13
<b>ANALYSIS BY CATEGORY</b>					
Critical	-	-	-	-	-
High	3	1	10	4	18
Medium	1	4	5	7	17
Low	1	1	-	2	4

### 4 PROGRESS TO DATE

- 4.1 It is pleasing to report that a significant improvement has been made in reducing the numbers of overdue audit actions, with **no** overdue actions currently remaining. This followed a clear instruction from the Strategic Leadership Team (SLT) last month and a concerted effort has been made by managers, in conjunction with Internal Audit, to ensure that overdue actions are addressed and updated on the risk register.

### 5. EXPOSURE TO RISK

- 5.1 Internal Audit will continue to work with all Heads of Service and Directors to ensure steps are being taken to manage the identified risks and implement actions. The up to date position, including any significant implications for the control environment, will continue to be provided to Civic Affairs Committee as part of established reporting arrangements.

## 6. CONSULTATIONS

- 6.1 Senior Leadership Team is informed of the status of risks / actions within the risk register on a regular basis, the latest update being in January 2016. Directors and Heads of Service have been consulted on the need to review and update their Internal Audit actions.

## 7. CONCLUSION

- 7.1 Significant improvements have been made to the number of overdue Internal Audit Actions since we last reported in September 2015 with no overdue actions currently remaining. This is as a result of a concerted effort by managers, with the support of Internal Audit, following a clear instruction from SLT to address overdue actions on the risk register.
- 7.2 Going forward, we will continue to report to Directors and Heads of Service on a quarterly basis and to SLT on a half yearly basis, to ensure that this improved position is sustained.

## 8. IMPLICATIONS

- (a) **Financial Implications**  
None
- (b) **Staffing Implications**  
None
- (c) **Equality and Poverty Implications**  
None
- (d) **Environmental Implications**  
None
- (e) **Community Safety Implications**  
None

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

Risk Register Overdue Actions Report: 29 January 2016

To inspect this document contact Steve Crabtree on extension 8181.

The author and contact officer for queries on the report is Steve Crabtree on extension 8181.