

## PERFORMANCE AGAINST INTERNAL AUDIT ACTION PLANS

### 1. Purpose of Report

This performance report allows the Committee to assure itself that control issues identified by internal audit have been addressed by management in an appropriate and timely manner. Unimplemented audit recommendations may increase business risks and the scrutiny of outcomes reduces this likelihood. The report is presented approximately quarterly.

### 2. Recommendations

Members are asked to note and comment on the progress made in implementing internal audit recommendations as detailed in the **Appendix**.

### 3. Considerations

#### Background

3.1 Internal audit's role includes making recommendations which address control weaknesses or improve control arrangements for the area under review. Our recommendations are ranked in terms of importance, the officer responsible for completing the work is identified and a timescale for implementation is discussed. This forms the agreed action plan which is included in the final audit report.

3.2 A format for the progress monitoring report has been developed which:

- assists Members with identifying recommendations where progress has been delayed ('tick and cross' coding scheme)
- gives context where there are outstanding actions (all recommendations are listed for 'open' reports)
- shows the timescale involved (report dates and dates of when the actions were completed are given)
- provides data for performance management purposes (summary statistics).

3.3 At previous Committee meetings, Members may have agreed to extend the due date for some actions. These are indicated in the progress monitoring paper by the original due date being crossed through and a later date substituted. All recommendations which missed their original due date continue to be coded as 'overdue' however.

#### Performance to 31 July 2016

3.4 There were 3 internal audit report actions due for completion by the end of July 2016. Two of these have been addressed within the originally-agreed timescale. One action from the Purchasing Compliance report remains outstanding (linked to the Council's reshaping programme).

3.5 Five actions overdue from previous quarters were completed within the time extensions granted. There is one overdue action which has reached its time extension without the work being complete (revisions to Procurement Standing Orders), also linked to the Council's reshaping programme. There is one action overdue from a previous quarter whose time extension has not yet been reached.

3.6 Three audit reports in the monitoring paper have had all their actions complete and can now be closed. The seven reports remaining open will be brought forward to the next quarterly monitoring report, to which will be added the new audit reports elsewhere on the agenda.

#### Committee's Role

- 3.8 In reviewing the progress on audit recommendations, Members should:
- Satisfy themselves that key internal control issues are being appropriately addressed by management;
  - Consider whether the correct balance has been struck between the costs of control and the risks faced;
  - Form a view on the effectiveness of internal audit's work.

#### **4. Governance Assurance**

4.1 The remit of the Audit and Risk Management Committee has been set by the Council. In adopting the recommendation to note and comment on the progress made, the Council will be acting within its legal powers.

4.2 Tracking of outcomes against audit recommendations accords with best practice as set out in the Chartered Institute of Public Finance and Accountancy's publication: 'Audit Committees: Practical Guidance for Local Authorities and Police'.

4.3 The officers named as being responsible for each action were consulted during the compilation of the report. All are in agreement with the information contained in the Appendix.

#### **5. Impact Assessment**

As this report does not propose a change in policy/strategy/plan/project, it is not necessary to complete an Impact Assessment.

#### **Author(s)**

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#### **Approved by**

NAME	DESIGNATION
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#### **Appendices – 1**

**Appendix 1** – Internal Audit Recommendations Tracking — Position at 31 July 2016

#### **Background Papers**

Previous reports to Audit and Risk Management Committee at

<http://egenda.dumgal.gov.uk/aksdumgal/users/public/admin/kab71.pl?cmte=ARM>