



Report to: Audit Sub-Committee

Subject: Follow-Up of Audit Recommendations

Date: September 2006

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1. PURPOSE OF REPORT

- 1.1 To monitor departmental progress in implementation of Internal Audit Recommendations.
- 1.2 To identify to members where additional action needs to be considered in relation to any outstanding recommendations

2 BACKGROUND

Internal Audit finalise audit reports having agreed an implementation plan for those areas where weaknesses have been identified.

The majority of recommendations are medium to low risk and therefore should usually be implemented within 3 months of the final report being issued.

Internal Audit follow-up on the implementation of recommendations on a quarterly basis. The results of the initial follow-up are reported to the Head of Finance, who requests any outstanding recommendations are actioned immediately.

Any recommendations remaining outstanding following this instruction are reported to this committee.

3. SUMMARY FINDINGS

There were 11 audit recommendations reported as outstanding at the Audit Sub-Committee meeting held on 24th April 2006. These related to the following five audit reports:

- Housing Rents 2004-05
- Housing Benefits 2004-05
- Payroll 2004-05
- Contracts 2004-05
- NNDR 2004-05

All the outstanding recommendations from these reports have now been implemented.

In addition, recommendations made in the following two audit reports were followed-up.

- FMS Budget Monitoring 2005-06
- Council Tax Assurance Statement 05-06

FMS Budget Monitoring 2005-06

There were three medium and one low risk recommendation made within the report. All four recommendations have been fully implemented.

Council Tax Assurance Statement 2005-06

There were 12 recommendations made within the report, six medium and six low risk. At the time of audit follow-up the implementation date for six recommendations was not yet due. Of the remaining six recommendations, one remained outstanding. The outstanding recommendation is summarised below:

Recommendation 4.3: It is recommended that all suspense items are reviewed and that those dating back as far 1995 are written off. Risk level – Medium. Implementation Date – 31st march 2006.

Management state that further investigation of the new IBS system is being carried, to establish how suspense items can be treated.

3 **CONCLUSION**

Management comments outlining the reasons for delay in implementing the above audit recommendation are acceptable, given the introduction of the new IBS system.

Progress against the outstanding recommendation will be assessed within the Council Tax review currently being completed.

4 **RECOMMENDATION**

Members are recommended to note the report.