



Report to: Audit Sub-Committee

Subject: Follow-Up of Audit Recommendations

Date: 18th December 2007

Author: Manager of Resource Services

1. PURPOSE OF REPORT

To monitor departmental progress in implementation of Internal Audit recommendations.

To identify to members where additional action needs to be considered in relation to any outstanding recommendations.

2. BACKGROUND

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

Recommendations made in the following audit reports were followed-up during the period October – December 2007.

- IAR0607-12 Fuel Stocks (Direct Services)
- IAR0607-13 Housing Rents
- IAR0607-15 Leisure Income
- IAR0607-17 Housing Benefits
- IAR0607-22a Budgetary Control (Direct Services)
- IAR0607-22b Performance Management (Direct Services)

IAR0607-12 Fuel Stocks (Direct Services)

The report, issued in May 2007, provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. A total of 9 recommendations were made, 1 medium and 8 low risk.

Internal Audit reviewed progress of management action against these recommendations in November 2007. The review confirmed that all 9 recommendations had been fully implemented.

IAR0607-13 Housing Rents

The report, issued in April 2007, provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. A total of 3 low risk recommendations were made.

Notts. County Council Internal Auditors reviewed progress of management action against these recommendations in October 2007. The review confirmed that all 3 recommendations had been fully implemented.

IAR0607-15 Leisure Income

The report, issued in January 2007, provided **limited assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. A total of 5 recommendations were made, 1 high and 4 medium risk.

Notts. County Council Internal Auditors reviewed progress of management action against these recommendations in October 2007. The review confirmed that all 4 medium risk recommendations had been fully implemented.

The high risk recommendation relates to the sharing of passwords by staff when logging onto the authority's IT systems. Whilst it was confirmed that this practice has ceased at the Leisure centres reviewed in 2006-07 (Richard Herrod and Arnold), this practice was identified in the 200708 review conducted at Redhill and Calverton LC's. This recommendation has been discharged from this review and reiterated in the current review (IAR0708-06) under recommendation 7.

This issue has been raised at management team meetings and the situation will be monitored over coming months by Leisure Services management.

IAR0607-17 Housing Benefits

The report, issued in January 2007, provided **limited assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. A total of 10 recommendations were made, 9 medium and 1 low risk.

Bentley Jennison Internal Auditors reviewed progress of management action against these recommendations in October 2007. The review confirmed that all 8 of the recommendations had been fully implemented.

Recommendation 1 (medium risk) related to the completion of annual statements of interest. This has been undertaken for members and benefits staff, however, the recommendation is superseded by recommendation 1 in the recent review of employee Register of Interests (IAR0708-03).

Recommendation 5 (medium risk) related to the review and removal of staff access levels. The recent review of Housing Benefits (IAR0708-13), confirmed that management checks are completed and the instances of inappropriate access significantly reduced (1 recently vacated agency staff). The recommendation has been discharged from this review and reiterated in the current review (IAR0708-13) under recommendation 5. The risk has been reclassified as low.

IAR0607-22a Budgetary Control (Direct Services)

The report, issued in May 2007, provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. A total of 3 medium risk recommendations were made.

Internal Audit reviewed progress of management action against these recommendations in November 2007. The review confirmed that all 3 recommendations had been fully implemented.

IAR0607-22b Performance Management (Direct Services)

The report, issued in May 2007, provided **limited assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. A total of 6 recommendations were made, 3 medium and 3 low risk.

Internal Audit reviewed progress of management action against these recommendations in November 2007. The review confirmed that all 5 recommendations have been fully implemented.

The outstanding recommendation relates to departmental monitoring of sick absence rates. This recommendation has been superseded by recommendation 1 in the recent review of sickness absence (IAR0607-23).

4. RECOMMENDATION

Members are requested to note the report.