

Report to: Audit Committee

Subject: Follow-Up of Audit Recommendations

Date: 18th June 2013

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1. PURPOSE OF REPORT

To monitor departmental progress in the 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 Corporate Director & Chief Financial Officer, 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 report were followed-up during the period April – June 2013.

- IAR1112-06 Cash Receipting
- IAR1112-14 Payroll
- IAR1112-17 Financial Management System (FMS)

IAR1112-06 Cash Receipting

The report, issued in November 2011, provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. One medium and four low risk recommendations were made.

A review of progress of management action against these recommendations was undertaken in February 2013. The review confirmed two recommendations had been fully implemented and one superseded by changes to working practices.

The remaining recommendations had been partially implemented, however are reiterated in recommendations 3 and 5 of the current report (IAR1213-17) and relate to the need to provide a full narrative of the reasons for void transactions and complete the review of record retention periods.

IAR1112-14 Payroll

The report, issued in February 2012, provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. Three low risk recommendations were made.

A review of progress of management action against these recommendations was undertaken in February 2013. The review confirmed that all one recommendation had been fully implemented. The remaining two recommendations had been partially implemented and are reiterated in the current report (IAR1213-13) under recommendations 1 and 2. These are in respect of procedural issues relating to the authorised signatory list and evidenced management review of documentation.

IAR1112-17 Financial Management System (FMS)

The report, issued in May 2012, provided **substantial assurance** with respect to the adequacy and effectiveness of controls deployed to mitigate the risks associated with the areas reviewed. Three low risk recommendations were made.

A review of progress of management action against these recommendations was undertaken in February 2013. The review confirmed that all three recommendations had been fully implemented.

4. RECOMMENDATION

Members are requested to note the report.