

WEST DUNBARTONSHIRE COUNCIL

Report by Interim Executive Director of Corporate Services

Audit & Performance Review Committee: 15 February 2012

Subject: Internal Audit Progress on recommendations - Transition to Reporting on Covalent

1. Purpose of Report

- 1.1 To assist Elected Members by having consistency in the reports presented for scrutiny, the information contained in the appendices to the report entitled:

“Internal Audit Actions issued during the period from 15 November 2011 to 14 January 2012 and Review of Progress in Actioning Recommendations Contained Within Internal Audit and External Audit Reports”

which has been separately submitted to this meeting, has been input into Covalent. The Covalent reports will in future be incorporated into the same report.

2. Background

- 2.1 When audit reports are issued by the Internal Audit Section, departmental management are provided with an action plan. External Audit also issue similar documents as a result of audit work which they perform.
- 2.2 Recently, the Internal Audit Section has entered all outstanding Internal Audit and External Audit actions on to Covalent, the Council’s risk and performance management system. This will enable both departmental management and the Internal Audit Section to monitor and report upon progress in the implementation of agreed actions in a more effective manner.

3. Main Issues

- 3.1 Recommendations are now shown in Covalent with responsibility for progressing these actions assigned to individual officers. Appendix A and B show the Covalent reports for outstanding Internal and External Audit recommendations respectively.
- 3.2 There are some anomalies between the number of outstanding recommendations stated on Covalent compared to the summary information shown at Appendices B and C in the other report referred to at paragraph 1.1 above. This is because the original due date, as agreed between Internal Audit and departmental management at the time audit reports have been finalised, has been changed in Covalent by departments. These anomalies are detailed at paragraphs 3.3 and 3.4 below.

- 3.3** The due dates in Appendix A have been changed on the following 6 Internal Audit Recommendations:
- All three “*Network Controls Review*” overdue recommendations are now incorrectly showing on Covalent that the due date has not been reached.
 - The outstanding “*Security of Data, Accounting Systems and Main Accounting*” actions have also had the due date put forward on Covalent with the effect that they are incorrectly showing as not passed the due implementation date.
- 3.4** The due date in Appendix B has been changed on the following External Audit Recommendation:
- “*Annual report to the members and the Controller of Audit: year ended 31 March 2010*” (Value for money on procurement), with the effect that it is incorrectly showing as not passed the due implementation date.
- 3.5** It is recognised by exception that it may be necessary to change original due dates for actions within Covalent. However, this should never happen with actions relating to internal audit and external audit recommendations.

4. People Implications

- 4.1** There are no people implications.

5. Financial Implications

- 5.1** There are no financial implications.

6. Risk Analysis

- 6.1** The key areas of work performed by both Internal Audit and External Audit are carried out according to a risk based approach that determines the nature, extent and timing of the required audit assignments.
- 6.2** In addition, action plans for individual reports tend to prioritise recommendations in terms of how promptly they should be implemented, i.e.:
- High: up to three months
 - Medium: between three and six months
 - Low: between six months and one year

Therefore, any delay in the implementation of report recommendations may lead to key Council activities being exposed to a greater level of risk.

7. Equalities, Health & Human Rights Impact Assessment (EIA)

- 7.1** There are no issues.

8. Strategic Assessment

8.1 The report relates to fit for purpose services by improving service delivery models for continuous improvement.

9. Conclusions and Recommendations

9.1 The Committee is asked to note the contents of this report.

.....
David Amos
Interim Executive Director of Corporate Services
Date: 10 February 2012

Persons to Contact: Lorraine Coyne, Head of Audit, Performance & Strategic Planning
Telephone: 01389 737428
lorraine.coyne@west-dunbarton.gov.uk

Appendices: **A** - Covalent Report - Progress on Internal Audit Reports
B - Covalent Report - Progress on External Audit Reports

Background Reports: Internal Audit Report
External Audit Reports

Wards Affected: All