

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Audit and Performance Review Committee: 12 January 2011

Subject: Internal Audit Action Plans issued during the period from 15 September to 14 December 2010 and Review of Progress in Actioning Recommendations Contained Within Internal Audit and External Audit Reports

1. Purpose

- 1.1** To present to the Committee the Internal Audit Section action plans issued to directorates during the period from 15 September to 14 December 2010.
- 1.2** To advise Committee members of the progress being made in actioning recommendations contained within key Internal Audit and External Audit reports which management have committed to implementing.

2. Background

- 2.1** When audit reports are issued by the Internal Audit Section departmental management are provided with an action plan. Copies of the two action plans agreed and issued, during the period from 15 September to 14 December 2010, are contained in Appendix A.
- 2.2** Further information on these audits is provided in Section 3 below.

3. Main Issues

Key points on agreed action plans issued

- 3.1** An outline of the subject matter of the audit work is provided below, along with the key issues which emerged.

Action Plan 1: Security of Data

- 3.2** The audit focussed on the following areas:

- Data classification and retention
- Data protection
- Files and records

3.3 The review highlighted that opportunities exist to enhance the service provided, the most important of which is listed below:

- Files containing personal details, in relation to Improvement Grants, are not held securely within a restricted access area.

Action Plan 2: Treasury Management

3.4 The audit focussed on the following areas:

- Policies and Procedures
- Staffing
- Risk Management
- Cash Flow
- Lending
- Borrowing
- Capital Investment
- Payments
- External Service Providers
- Fraud Prevention
- Records and Reconciliations
- Monitoring and Reporting

3.5 The review highlighted that opportunities exist to enhance the service provided, the most important of which are listed below:

- Senior Staff had not checked and signed reconciliations to ensure that they were being kept up to date.
- A member of staff, who has been on maternity leave for nine months is still an authorised user of the CHAPS automated payment system.

Progress on implementation of recommendations

3.6 As per Appendix B (Internal Audit), 25 reports are listed for which progress on 69 individual recommendations have been sought. Departmental management have confirmed that 15 recommendations have been implemented. Of the 54 outstanding actions, 38 have passed their scheduled implementation date.

- 3.7** As can be seen from Appendix C (External Audit), 5 reports are listed for which progress on 18 individual recommendations has been sought. Departmental management have confirmed that 2 of these recommendations have been implemented. Of the 16 outstanding actions 5 have passed their scheduled implementation date.

4. People Implications

- 4.1** There are no personnel issues.

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 Impact

- 7.1** No significant issues are identified at this stage regarding potential equality impact of this report.

8. Conclusions and Recommendations

- 8.1** Two Internal Audit action plans have been issued to management as detailed at Section 3 and Appendix A to this report.

- 8.2** The Committee is asked to note the contents of these reports.

.....
David McMillan
Chief Executive
Date: 8 December 2010

Person to Contact: Lorraine Coyne, Head of Audit, Performance & Strategic Planning
Council Offices, Garshake Road, Dumbarton
Telephone (01389) 737428
E-mail – lorraine.coyne@west-dunbarton.gov.uk

Appendices:

- A** - Agreed Action Plans issued during the period 15 September to 14 December 2010
- B** - Review of Internal Audit Reports
- C** - Review of External Audit Reports

Background Papers: Internal Audit Reports
External Audit Reports

Wards Affected: All Wards