

WEST DUNBARTONSHIRE COUNCIL

Report by the Interim Executive Director of Corporate Services

Audit and Performance Review Committee: 15 February 2012

Subject: Internal Audit Action Plans 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

1. Purpose

- 1.1 To present to the Committee the Internal Audit Section action plans issued to directorates during the period from 15 November 2011 to 14 January 2012.
- 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 November 2011 to 14 January 2012, 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: Licenses

- 3.2 The audit focussed on the following areas:

- Policies and Procedures
- Transactions
- Postal Remittances
- Income Reconciliations
- Security and Banking

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

- Security of Premises
- Payments
- Control Of License Number
- Separation of Duties
- Postal Remittance Log
- Credit Card Income

Action Plan 2: Main Accounting

3.4 The audit focussed on the following areas:

- Journals & Internal Transactions
- Security of Data (Treasury Loans)

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

- No Page Totals on Journal
- Journal Not Authorised

Progress on implementation of recommendations

3.6 Progress on 86 individual recommendations from 22 internal audit reports has been sought. Departmental management have confirmed that 50 recommendations have been implemented. Of the 36 outstanding actions, 18 have passed their scheduled implementation date. Appendix B lists progress on the 36 outstanding actions.

3.7 Progress on 20 individual recommendations from 8 external audit reports has been sought. Departmental management have confirmed that 9 of these recommendations have been implemented. Of the 11 outstanding actions 5 have passed their scheduled implementation date. Appendix C lists progress on the 11 outstanding actions.

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.:

- 1/High: up to three months
- 2/Medium: between three and six months
- 3/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 & Humans Rights Impact Assessment

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

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

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Date: 10 February 2012

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Appendices: A - Agreed Action Plans issued during the period 15 July to 14 September 2011

B - Progress on Internal Audit Reports
C - Progress on External Audit Reports

Background Papers: Internal Audit Reports
External Audit Reports

Wards Affected: All Wards