

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

28th September 2009

INTERNAL AUDIT RECOMMENDATION TRACKER

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Head of Financial Services

1. Summary

1.1 To present details of a new process to monitor progress to date against audit report “priority one” and key “priority two” findings and agreed actions.

2. Recommendation

2.1 The Audit Board is recommended to:

- Approve the guidance and example recommendation tracker as detailed at Appendix A

3. Background

3.1 Following completion of an audit review, findings are raised with an explanation as to the risk that the Council may be subject to together with recommendations as to the action required in order to improve the control environment. Each recommendation is allocated a priority based on the following:

Priority 1: Recommendations that are **fundamental** to improving the controls within the system.

Priority 2: Recommendations that are **important** to improving the controls within the system.

Priority 3: Recommendations that are **desirable** to improving the controls within the system.

Prioritising recommendations enables Heads of Service and Managers to implement actions based on importance in order to improve control within systems and processes.

For each finding, the Auditor, Head of Service and Managers agree what action should be taken to eliminate or reduce the risk with an officer assigned to the task required and a date by which action should be completed.

3.2 A new system of monitoring progress is to be introduced from 1st October 2010 (Quarter 3) Heads of Service are to be contacted on a quarterly basis and an update will be requested for each action included in their audit reports. Heads of Service and Managers are to retain evidence to support “priority one” and “priority two” actions that are completed as this will be reviewed by Internal Audit on an annual basis.

4. Recommendation Tracker Guidance and Example

4.1 Attached at Appendix A is the proposed guidance that will be followed by Heads of Service, Managers and the Internal Audit team.

4.2 In addition, Appendix A includes an example of the tracker and the format of the report to be presented in future to this meeting.

4.3 It is anticipated that Heads of Service will present any concerns or issues where fundamental recommendations are not being achieved and the potential impact to the delivery of their services if the recommendations are not implemented.

5. Financial Implications

5.1 None outside of existing budgets.

6. Legal Implications

6.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2006 to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

7. Corporate Objectives

7.1 Council Objective 02: Improvement.

8. Risk Management

8.1 The main risks associated with the details included in this report are:

- Non-compliance with statutory requirements.
- Ineffective Internal Audit service.
- Lack of an effective internal control environment.

8.2 These risks are being managed as follows:

- Non-compliance with statutory requirements:

Risk Register: Financial Services
Key Objective Ref No: 3

Key Objective: Efficient and effective Internal Audit service

- Ineffective Internal Audit service:

Risk Register: Financial Services

Key Objective Ref No: 3

Key Objective: Efficient and effective Internal Audit service

- Lack of an effective internal control environment:

Risk Register: Financial Services

Key Objective Ref No: 3

Key Objective: Efficient and effective Internal Audit service

9. **Customer Implications**

9.1 No customer implications.

10. **Equalities and Diversity Implications**

10.1 No equalities and diversity issues.

11. **Other Implications**

Procurement Issues: None
Personnel Implications: None
Governance / Performance Management: Effective governance process.
Community Safety including Section 17 of Crime and Disorder Act 1998: None
Policy: None
Environmental: None

12. **Others Consulted on the Report**

Portfolio Holder – Yes
Chief Executive – No
Executive Director (Services) - No
Assistant Chief Executive – No
Head of Service - Yes
Head of Financial Services - Yes

Head of Legal, Equalities & Democratic Services – No
Head of HR & Organisational Development – No
Corporate Procurement Team – No

13. Appendices

Appendix A: Guidance and Example of recommendation tracker.

14. Background Papers

14.1 None.

Contact officer

Jayne Pickering – Head of Financial Services
E Mail: j.pickering@bromsgrove.gov.uk
Tel: (01527) 881207