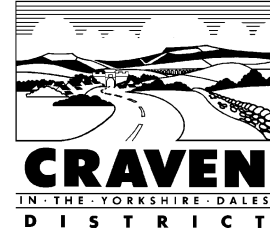


# Audit & Governance Committee – 29<sup>th</sup> September 2014



## Reporting on Implementation of Internal Audit Recommendations

Report of the Corporate Head, Financial Management

Ward(s) affected: All

1. **Purpose of Report** – To propose a change to the frequency of reporting process against internal audit recommendations to Audit and Governance Committee.
2. **Recommendations** – Members are recommended to:
  - 2.1 agree to amend the frequency of reporting to Audit and Governance Committee on progress against Internal Audit Recommendations to six monthly with effect from November 2014.
3. **Background**
  - 3.1. Members agreed the process for receiving updates on outstanding and completed internal audit recommendations at their meeting of 26 June 2012.
  - 3.2. It was agreed Audit and Governance Committee would receive updates generally on a quarterly basis following scrutiny of progress at Officer/Member VFM Clinics, part of the Council's process of quarterly performance and budget monitoring.
  - 3.3. To date Audit and Governance Committee have received reports at meetings in March, June, and September 2013, and March 2014.
  - 3.4. The process has been working well and significant improvements have been made in addressing outstanding audit recommendations. The number of outstanding recommendations has significantly reduced over this period and improvements in response to recommendations are with a number of exceptions now being made promptly and within agreed timescales.
4. **Proposal to amend to six monthly reporting**
  - 4.1. The financial standing and control of the Council has significantly improved since the introduction of VFM Clinics in 2011/ 2012. In an effort to further streamline and improve the effectiveness of quarterly monitoring processes, minor changes have been made to the Council's quarterly performance and budget monitoring processes commencing 2014/2015 onwards.
  - 4.2. These changes mean that detailed 30 minute VFM Clinics of every service area will now take place in Quarter 2 and Quarter 4 only. These will continue to receive and scrutinise updates on progress against action taken in respects to Internal Audit recommendations.
  - 4.3. In Quarter 1 and 3 these will now be replaced by Performance Challenge Forums which will involve a higher level overview of budget/performance of all service areas and detailed scrutiny of one or two selected service areas / major projects. Progress against Internal Audit Recommendations will not automatically be considered at these sessions.

- 4.4. Due to changes outlined and timings of a number of other steps in the quarterly monitoring process, it is now proposed to report progress against Internal Audit Recommendation to Audit and Governance Committee on a six monthly basis in November and June of each financial year.
- 4.5. It is considered that changes from quarterly to six monthly monitoring will improve the quality, accuracy and effectiveness of Officer reporting against updates and scrutiny by Audit and Governance, especially given the lead time for implementation of recommendations following receipt of Internal Audit reports is often six months or more.
- 4.6. The agreed process also includes the ability of Audit and Governance Committee to request attendance of Department Leads / Officers responsible for implementation of Internal Audit Recommendations to Audit and Governance Committee. To facilitate this being able to take place promptly, where time allows updates on progress will also be circulated by email to Audit and Governance Committee Members via the Committee Administrator prior to formal reports being issued.
- 4.7. Members are recommended to agree to amend the frequency of reporting to Audit and Governance Committee on progress against Internal Audit Recommendations to six monthly with effect from November 2014.

## **5. Implications**

- 5.1. Financial and Value for Money (vfm) Implications – It is considered that proposed changes will improve the efficiency and effectiveness of the monitoring process.
- 5.2. Legal Implications – None arising directly from this report
- 5.3. Contribution to Council Priorities – Financial Resilience
- 5.4. Risk Management – No issues arising directly from this report
- 5.5. Equality Analysis – Not applicable
- 5.6. Consultations with Others  
Finance Manager
- 5.7. Access to Information : Background Documents  
None
- 5.8. Author of the Report  
Claire Hudson, VFM and Improvement Manager  
Telephone: 01756 706493 e-mail: [chudson@cravendc.gov.uk](mailto:chudson@cravendc.gov.uk)