

## **UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS ARISING FROM SPECIAL INVESTIGATIONS**

**Report By: AUDIT SERVICES MANAGER**

### **Wards Affected**

None.

### **Purpose**

To provide the Audit and Corporate Governance Committee with a further update on progress with implementing the recommendations approved by the Corporate Management Board to improve the internal control environment as a result of the 'lessons learned' from special investigations carried out by Audit Services in 2005/06.

### **Financial Implications**

None directly arising from this report.

### **RECOMMENDATION**

**THAT:**

- (a) the updated position be noted;**
- (b) the action taken by Audit Services be endorsed; and**
- (c) a further update be provided at the Committee's next meeting.**

### **Reasons**

The Audit and Corporate Governance Committee considered the Audit Service Manager's Annual Assurance report for 2006/07 on 29<sup>th</sup> June 2007. The report noted that not all Heads of Service were able to confirm that they had implemented the recommendations agreed by the Corporate Management Board to improve the internal control environment as a result of special investigations.

### **Considerations**

1. A report by the Audit Services Manager entitled Special Investigation Report 2005/06 was presented to Corporate Management Board on 5<sup>th</sup> September 2006.
2. Following discussion at Corporate Management Board the report presented was adopted and several recommendations agreed (Appendix 1 refers).

3. The report was presented to Senior Management Team on 8<sup>th</sup> September 2006 when Senior Management Team's attention was drawn to the agreed recommendations requiring their attention.
4. As noted in the Annual Assurance Report for 2006/07 presented to the Audit and Corporate Governance Committee on 29<sup>th</sup> June 2007, feedback from a number of Heads of Service was still outstanding.
5. The latest position is that two Heads of Service have not replied confirming that they have taken the required actions. One Head of Service has recommendation (c) as work in progress but has implemented the other recommendations.
6. The Audit Services Manager has informed the Directors concerned and has stressed the need to be able to confirm to the Audit and Corporate Governance Committee's next meeting that the issues have finally been addressed.

## **Risk Management**

The special investigations in 2005/06 identified a risk that Council monies were not being accounted for in line with Financial Regulations. Implementing the recommendations agreed by Corporate Management Board will mitigate this risk.

### **Background Papers**

Audit Services Manager's Special Investigation report to Corporate Management Board dated 5<sup>th</sup> September 2006.