

AUDIT SERVICES UPDATED INTERIM ASSURANCE REPORT

Report By: Audit Services Manager

Wards affected

County-wide

Purpose

The purpose of the updated Interim Assurance Report is to update members on work status and to bring to their attention any key internal control issues.

Financial Implications

None.

Recommendation

THAT the report be noted.

Reasons

1. Compliance with good practice as set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

Considerations

2. The Interim Assurance Report was presented to The Audit Committee and Corporate Governance Committee on 8th December 2006.
3. The work on the completion of the fundamental systems is progressing well and it is anticipated that all should be completed within the deadlines set by the Audit Commission.

Audit Opinions

4. Appendix 1 shows the status of work carried out by Audit Services, with final audits showing an audit opinion. There was an unsatisfactory audit opinion in relation to the CLIX system as it did not meet the functional or security needs of Adult Services, nor did it fulfil central government requirements. Members requested an update on Audit recommendation made. A recommendation follow up has been completed and its findings form a separate report to this Committee.

Recommendations made

5. Under current reporting protocols the Audit Services Manager has to bring to the attention of the Audit and Corporate Governance Committee 'Critical 1' recommendations. These are recommendations where non-compliance will be a

high risk to the Council and where action is required urgently or with in an agreed timescale.

6. Four critical 1 recommendations were reported previously. Three relate to CRB procedures and one to inventory records. The Audit Services Manager, the Legal Practice Manager and the Human Resources Manager will be developing guidance with regards to CRB procedures. In relation to inventory records, the Head of Financial Services has developed Accounting Guidelines, which are in the process of being finalised and sent out to Key Managers and Headteachers.
7. Three more Critical 1 recommendations need to be reported, all three relate to the fundamental system ICT FMS and Procurement and cover the need for improved controls over payments, better reconciliation to Cedar, and budgets to be set.
8. The Audit Services Manager has met the Director of Corporate and Customer Services and the Head of ICT and Customer Services and agreed a way forward to meet the recommendations.

Risk Management

9. If the Head of ICT and Customer Services does not take action on the critical recommendations made by Audit Services it is likely that the system controls could become a matter of concern.
10. The Council has in place a Statement of Internal Control Assurance framework and part of this process involves actions arising from Audit Reports. Lack of action by the Head of ICT and Customer Services could adversely affect the score for the Use of Resources.

BACKGROUND PAPERS

- Code of Practice for Internal Audit 2006