

## **Audit Committee**

**31 May 2013**



### **Action Plan**

### **2011/12 Audit of Accounts - Update**

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## **Report of Don McLure, Corporate Director Resources**

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### **Purpose of the Report**

- 1 The purpose of this report is to update Members on the progress on implementation of the Action Plan from the agreed recommendations for improving control weaknesses incorporated in the External Auditor's 2011/12 Interim and Final Governance Reports.
- 2 The action plan, which was reported to Members in November, is being used by management for monitoring purposes and as agreed at that Committee, this report forms part of regular reporting leading to the approval of the Statement of Accounts for 2012/13.
- 3 The report is presented in accordance with paragraph 4.1.26 of the Committee's Operational Terms of Reference, "to monitor progress made by management in response to both internal and external audit findings and recommendations".

### **Background**

- 4 In July, when the Statement of Accounts was reported to the Committee, it was agreed that an Action Plan based on the findings of the External Audit's Interim and Annual Governance reports which were presented to the Committee in May and September respectively, would be drawn up and reported to the Committee.
- 5 Responsibility for the actions then agreed have, where appropriate, been amended to a more appropriate officer from those recorded in the version reported to Committee in September.
- 6 The Action Plan has been incorporated into the Resources Performance Management Framework. Progress on the Plan is being monitored by the Resources Policy Performance and Planning Manager and this report gives an update on progress.

## The Action Plan

- 7 An updated action plan incorporating progress made to date is included at Appendix 2.
- 8 All recommendations have a response to the Auditor's findings and an action plan to remedy the weakness identified. In most cases the weakness has now been addressed; these recommendations are marked as complete.
- 9 Actions that are complete require evidence to assure the Corporate Director Resources and External Audit that the recommendation has been implemented. This has now been identified and made available in most cases.
- 10 As the remaining recommendations are considered by officers in more detail, there will be discussions with External Audit to ensure that the controls and procedures, either in place, or to be implemented are in line with the Auditor's expectations.
- 11 It is possible how ever, that not all recommendations will be implemented in full. Any such variations will be agreed with the Corporate Director Resources and the reasons discussed with the External Auditor.

## Summary of Progress

### Interim Governance Report (IGR)

- 12 The following table shows the progress towards implementing the External Audit recommendations from the IGR.

IGR	Total number of Actions	Actions Outstanding	Actions Completed	Evidence provided
<b>As at 22 November 2012</b>				
Actions from 2010/11	19	9	10	0
New Actions for 2011/12	33	10	23	0
	<b>52</b>	<b>19</b>	<b>33</b>	<b>0</b>
<b>As at 22 February 2013</b>				
Actions from 2010/11	19	6	13	9
New Actions for 2011/12	33	4	29	24
	<b>52</b>	<b>10</b>	<b>42</b>	<b>33</b>
<b>As at 4 April 2013</b>				
Actions from 2010/11	19	2*	17	13
New Actions for 2011/12	33	2	31	28
	<b>52</b>	<b>4</b>	<b>48</b>	<b>41</b>
<b>As at 21 May 2013</b>				
Actions from 2010/11	19	1*	18	18
New Actions for 2011/12	33	1	31	31
	<b>52</b>	<b>2</b>	<b>49</b>	<b>49</b>

\* One outstanding action has a completion date 30 September 2014.

- 13 The above table shows that two further recommended actions have been completed since the April report, and evidence has now been provided for all of the 49 completed actions.

### **Annual Governance Report (AGR)**

- 14 Of the 6 recommendations detailed in the AGR, two were due to be complete by 28 February 2013 and both are now complete.
- 15 Recommendation 3 – Asset Register – Migration of Housing Dwellings. There was a delay in the completion of this recommendation. All three former Districts' Housing Assets have now been successfully migrated into the Single Asset Register and were available in the live Asset Register from 3 April 2013. The information has also been fully reconciled. The delay in completion of this recommendation is not affecting the completion of the Statement of Accounts.
- 16 Work is on-going to put in place procedures to implement the remaining recommendations by their due date.
- 17 The monitoring of progress will continue through the Resources Performance Management Framework.

### **Recommendation and reasons**

- 18 Members are asked to note the updated action plan attached at Appendix 2 and to gain assurance that control weaknesses identified through the final account audit process in 2011/12 are being appropriately addressed.

### **Background papers**

- (a) Audit Committee – 22 November 2012 – Action Plan - 2011/12 Audit of Accounts
- (b) Audit Committee – 22 February 2013 – Action Plan - 2011/12 Audit of Accounts – Update
- (c) Audit Committee – 4 April 2013 – Action Plan - 2011/12 Audit of Accounts - Update

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## **Appendix 1: Implications**

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**Finance –**

None

**Staffing -**

None

**Risk -**

None

**Equality and Diversity -**

None

**Accommodation -**

None

**Crime and Disorder -**

None

**Human Rights -**

None

**Consultation -**

None

**Procurement -**

None

**Disability Discrimination Act -**

None

**Legal Implications -**

None