

Audit Committee

29 July 2013



Action Plan 2011/12 Audit of Accounts - Update

Report of Don McLure, Corporate Director Resources

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, has been 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 2012, when the Statement of Accounts for 2011/12 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 all but two 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 all cases.
- 10 As the two 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 however, that not all of the 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
As at 22 November 2012				
Actions from 2010/11	19	9	10	0
New Actions for 2011/12	33	10	23	0
	52	19	33	0
As at 22 February 2013				
Actions from 2010/11	19	6	13	9
New Actions for 2011/12	33	4	29	24
	52	10	42	33
As at 4 April 2013				
Actions from 2010/11	19	2*	17	13
New Actions for 2011/12	33	2	31	28
	52	4	48	41
As at 31 May 2013				
Actions from 2010/11	19	1*	18	18
New Actions for 2011/12	33	1	32	32
	52	2	50	50
As at 18 July 2013				
Actions from 2010/11	19	1*	18	18
New Actions for 2011/12	33	1	32	32
	52	2	50	50

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

- 13 The above table shows that no further actions have been completed since the May report, although progress has been made on Recommendation 12 – Accounts Payable: Authorised Signatory List.
- 14 Recommendation 7 – Payroll: No Authorised Signatories List has a completion date of September 2014.

Annual Governance Report (AGR)

- 15 Of the 6 recommendations detailed in the AGR, all were due to be complete by 30 June 2013 and all are now complete.

Recommendation and reasons

- 16 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 have been 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
- (d) Audit Committee – 31 May 2013 – Action Plan - 2011/12 Audit of Accounts - Update

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Appendix 1: Implications

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