

## Report of the Chief Auditor

Audit Committee – 12 June 2014

### FUNDAMENTAL AUDITS 2012/13 – RECOMMENDATIONS TRACKER UPDATE

|                                    |  |
|------------------------------------|--|
| <b>Purpose:</b>                    | This report provides an update on the recommendations made following the fundamental audits 2012/13 which had not been fully implemented when the Recommendations Tracker report was presented to the Audit Committee on 9 <sup>th</sup> January 2014. |
| <b>Policy Framework:</b>           | None.  |
| <b>Reason for Decision:</b>        | To allow the Audit Committee to fulfil its role in monitoring the implementation of audit recommendations.   |
| <b>Consultation:</b>               | Legal, Finance.  |
| <b>Recommendation(s):</b>          | It is recommended that: -<br><br>1) the Committee reviews and discusses the progress in implementing the recommendations made following the fundamental audits 2012/13.  |
| <b>Report Author:</b>              | Paul Beynon  |
| <b>Finance Officer:</b>            | Paul Beynon  |
| <b>Legal Officer:</b>              | Sharon Heys  |
| <b>Access to Services Officer:</b> | Sherrill Hopkins   |

#### 1. Introduction

- 1.1 The Recommendations Tracker report which identifies whether the recommendations which management had agreed to implement following the fundamental audits 2012/13 had been implemented was presented to the Audit Committee on 9<sup>th</sup> January 2014.
- 1.2 The report identified that around 76% of agreed recommendations had been implemented by 30<sup>th</sup> November 2013.
- 1.3 This report provides an update on implementation as at 31<sup>st</sup> March 2014.

## 2. Recommendations Tracker 2012/13 - Update

- 2.1 The January 2014 report identified the recommendations which had not been fully implemented as either partly implemented, not implemented or not yet due.
- 2.2 Appendix 1 shows, for each fundamental audit, the number of recommendations made following the 2012/13 audits and whether they have been implemented, partly implemented or not implemented as at 31<sup>st</sup> March 2014.
- 2.3 The following table provides a summary of the position on each of the 89 agreed recommendations as at 30<sup>th</sup> November 2013 and 31<sup>st</sup> March 2014

| Recommendations    | 30 <sup>th</sup> November 2013 |     | 31 <sup>st</sup> March 2014 |     |
|--------------------|--------------------------------|-----|-----------------------------|-----|
|                    | Number                         | %   | Number                      | %   |
| Implemented        | 68                             | 76  | 79                          | 89  |
| Partly Implemented | 6                              | 7   | 3                           | 3   |
| Not Implemented    | 6                              | 7   | 7                           | 8   |
| Not Yet Due        | 9                              | 10  | 0                           | 0   |
| Total              | 89                             | 100 | 89                          | 100 |

- 2.4 Overall the implementation rate is now 89% with the only areas where recommendations are outstanding being Payroll and Accounts Receivable.
- 2.5 An analysis of the recommendations, which have been partly or not implemented over the classification of audit recommendations used by the Internal Audit Section, is attached in Appendix 2.
- 2.6 Appendix 3 provides the management explanation for the 10 recommendations which were not fully implemented by 31<sup>st</sup> March 2014. This shows that there are some recommendations where an implementation date early in 2014/15 is indicated and also instances where progress has been delayed due to other priorities mainly due to issues linked to the need to address the Council's significant budget deficit in future years.

## 3. Conclusion

- 3.1 It is disappointing that some recommendations arising from the 2012/13 fundamental audits remain outstanding but it is also necessary to recognise that the staff responsible for implementing the recommendations are also heavily involved in a number of projects linked to the Sustainable Swansea – fit for the future programme which is aimed at addressing the significant budget deficit faced by the Council.

3.2 Any outstanding recommendations will have been picked up during the 2013/14 fundamental audits and monitoring of their implementation will form part of the Recommendations Tracker exercise in the current year.

**4. Equality and Engagement Implications**

4.1 There are no equality and engagement implications associated with this report

**5. Financial Implications**

5.1 There are no financial implications associated with this report.

**6. Legal Implications**

6.1 There are no legal implications associated with this report.

**Background Papers:** Fundamental Audit Reports 2012/13

**Appendices:**

Appendix 1 – Fundamental Audits 2012/13 – Implementation of Recommendations

Appendix 2 – Fundamental Audits 2012/13 – Classifications of Recommendations

Appendix 3 – Fundamental Audits 2012/13 – Recommendations Tracker