

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date **24 November 2014**

Report of: **Director of Finance and Resources**

Subject: **UPDATE ON AUDIT RECOMMENDATIONS**

SUMMARY

The annual recommendation survey has now been completed which has concluded that **70 (58%)** of previously outstanding or new audit recommendations have now been implemented. This includes all essential recommendations.

RECOMMENDATION

That the content of the report is noted.

INTRODUCTION

1. At the last meeting this Committee requested more information on the level of audit recommendations that are being implemented.
2. This report therefore provides information from the recently completed Annual Recommendation Implementation Survey which was started in June 2014. It should be noted that the survey has covered all recommendations from finalised reports up to the start of the survey. This differs to previous years where we only surveyed recommendations where the service had had at least a year to implement them.
3. The audit process also only now agrees and tracks recommendations deemed “essential” or “important”. “Advisory” issues are left to the manager’s discretion.

NUMBER OF RECOMMENDATIONS TO BE IMPLEMENTED

4. There were 120 audit recommendations to be implemented at the time of the survey as summarised below.

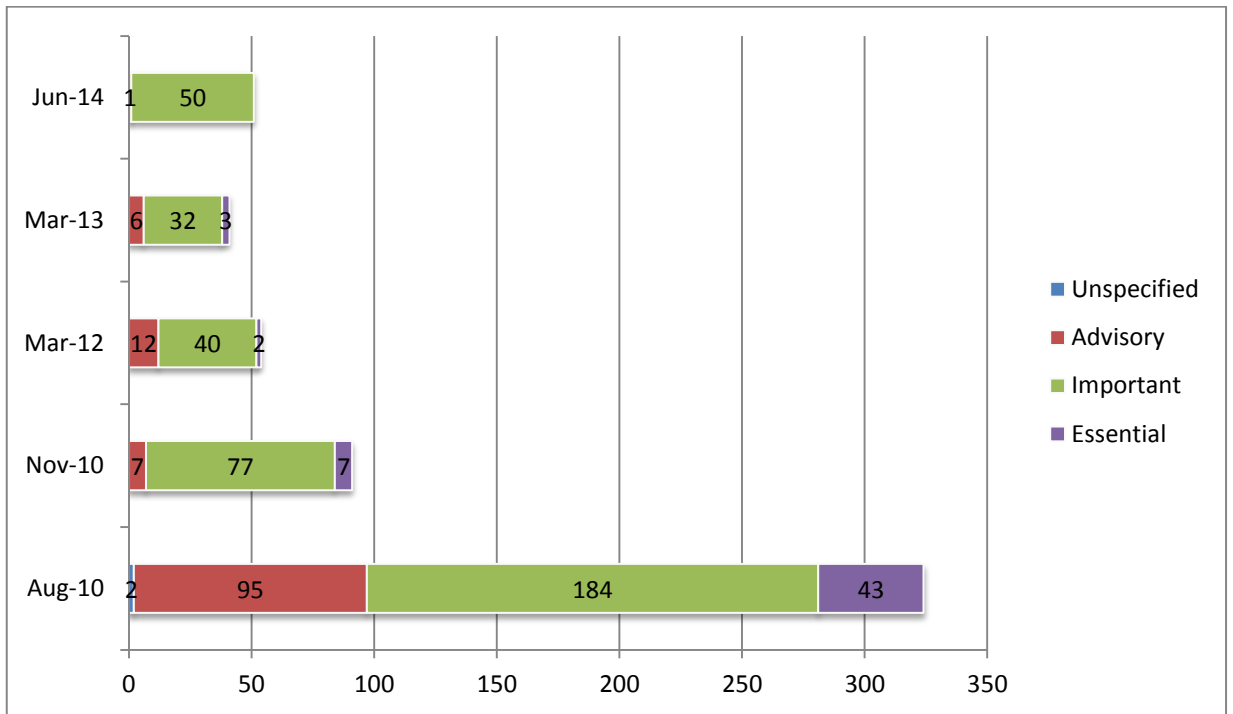
Source of Recommendations	Number of Essential Recs	Number of Important Recs	Total for 2014/15 survey	Total for 2013/14 survey
Brought forward as not yet implemented at the end of the previous survey (August 2013)	3	32	35	42
Reports finalised since the last survey	3	40	43	13
Reports previously finalised but not included in the last survey		49	49	74
Removed or downgraded to advisory	-1	-22	-23	-8
Reinstated after audit follow up	1	15	16	19
Number of Recommendations to be Implemented	6	114	120	140

LEVEL OF IMPLEMENTATION FOUND

5. At the end of the survey **70 (58%)** recommendations were recorded as implemented and a further **5 (4%)** were nearly complete.
6. All 6 “essential” recommendations have been recorded as implemented meaning there are currently none outstanding.
7. This compares to 102 (73%) reported as implemented from the previous year’s survey. However, it should be noted that of the 50 recommendations still outstanding from the current survey, 15 were less than a year old. Another 10 have been “risk accepted” by the service and so are flagged for further discussion and potential removal.
8. Most of the implemented statuses have been confirmed by the internal audit team. However, testing is needed for 15 of them to fully close them down.

RECOMMENDATIONS OUTSTANDING

9. The graph below shows the number of recommendations still outstanding that are being carried forward compared to previous years.



- Audit resource will be used over the coming months to review the older recommendations to make sure they are still fit for purpose and facilitate a plan of action to reach implementation.

RISK ASSESSMENT

- There are no significant risk considerations in relation to this report

CONCLUSION

- Recommendations arising from audit reports are being actively tracked and followed up. Appropriate implementation rates are being found, particularly of the recommendations made to address higher risks.

Background Papers: None

Reference Papers: Quarterly audit progress reports for the Municipal year

Enquiries:

For further information on this report please contact Elaine Hammell. (Ext 4344)