

TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE 26th MARCH 2013

UPDATE ON AMBER REPORTS REPORTED TO THE JANUARY 2013 AUDIT COMMITTEE

REPORT OF THE AUDIT & INFORMATION GOVERNANCE MANAGER

1 PURPOSE

- 1.1 To update members on the follow up reviews and progress of the implementation of the recommendations for the amber reports discussed at the January 2013 Audit Committee.

2 RECOMMENDATIONS

- 2.1 That members of the Audit Committee note the contents of the report and agree any action for the June 2013 meeting.

3 SUMMARY

- 3.1 The Audit Committee receives a quarterly update report of the work of Internal Audit and the progress on previously issued reports. At the January 2013 meeting there were discussions on previous amber reports that had remained amber – the Abacus review and Markets and Cash Collection and four reports issued during quarters 2 and 3 which were graded amber:
- a) Telford Town Park Visitors Centre
 - b) St Peter and St Paul Catholic Primary School
 - c) Telford Tennis Centre
 - d) Bank Contract Review
- 3.2 Members of the Committee agreed that the appropriate Assistant Director (and managers) responsible for the Abacus process review be invited to the March Committee and members have already received their update.
- 3.3 In respect to the Markets and Cash Collection follow up this has transferred service areas and was in the process of being restructured and re-engineered. Therefore the January follow up remained amber but a further follow up has been scheduled for April 2013. If the results of this work are not satisfactory the Audit & IG Manager will invite the appropriate Assistant Director and Managers to the June Audit Committee to provide an update to members.
- 3.4 More detail is provided in section 5 of this report in respect to the position in respect to the amber reports issued in quarters 2 and 3.

4 PREVIOUS MINUTES

- 4.1 Audit Committee 29th January 2013 – Internal Audit Quarters 2 & 3 Update report 2012/13.

5 RESULTS OF THE FOLLOW UPS OF AMBER REPORTS ISSUED IN QUARTERS 2 AND 3 2012/13

- 5.1 Telford Town Park Visitors centre – the follow up has been completed and all recommendations have now been implemented. The revised grading is now green.
- 5.2 St Peter and St Paul Catholic Primary school - the follow up has been completed and all recommendations have now been implemented. The revised grading is now green.
- 5.3 Telford Tennis Centre – follow up undertaken on the 14 outstanding recommendations (originally 19 in all). 6 are complete (including the legal requirement recommendation), 7 are in progress and 1 has yet to be implemented (see table below for summary). The grading has been changed to yellow to reflect the progress made and the next follow up will take place in April 2013.

Status of recommendation	Legal	Financial Regulation	Policy & Procedure	Best Practice
Complete	1	3	2	
In progress		2	4	1
Not yet implemented		1		

- 5.4 Bank Contract review – follow up undertaken on the 7 recommendations made. The key legal requirement has been implemented and the other recommendations have been implemented, are in progress and 1 has not yet been implemented (see table below for summary). The grading has been changed to yellow to reflect the progress made to date and the next follow up will take place in May 2013.

Status of recommendation	Legal	Financial Regulation	Policy & Procedure	Best Practice
Complete	1	1	1	
In progress		2		1
Not yet implemented		1		

6 OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	All members of Audit & Information Governance have attended equal opportunities/ diversity training. If any such issues arose during an audit or risk review they would be notified to the appropriate manager.
Environmental Impact	All members of Audit & Information Governance are environmentally aware and if any issues were identified they would be notified to the appropriate manager.
Legal Implications	The Accounts and Audit (England) Regulations 2011 state that the Council must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control. There is also a requirement to comply with CIPFA's Code of Practice for Internal Audit in Local Government. In the event that an audit reveals an issue which requires a recommendation concerning a legal matter this can also be referred to the Council's Legal Services Team for further advice and assistance.

Links with Corporate Priorities	The audit plan is linked to corporate priorities through the service planning process. Where high risks are identified then Audit Services undertakes work on a more regular basis.
Risks and Opportunities	The role of internal audit includes a review of the controls in place to manage the risks within service areas. The reports produced assist the Council in improving systems and controls (mitigating risks) and therefore the delivery of services and achievement of objectives.
Financial Implications	Where recommendations are made by Audit Services, if possible, cost/savings implications are identified.
Ward Implications	Internal Audit is responsible for the internal audit of all the Council's activities and at all Council locations and therefore operates within all Council Wards.

7 **BACKGROUND PAPERS**

Annual Audit Plan 2012/13 and strategy

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