

OUTSTANDING ITEMS UPDATE

For information

Audit related

Scrutiny referral - Invest to Save Review

This review was undertaken following a request from Policy Review and Performance Scrutiny Committee. The review has been completed and overall a satisfactory audit opinion has been given. A lessons learned discussion has been held between the auditor and relevant accountants.

Business Continuity - IT Infrastructure – audit follow up

A follow up audit was undertaken of Business Continuity (IT) in December 2014, and assurance can now be given that the controls tested were satisfactory. Of the previous 12 recommendations, nine (75%) have been fully implemented, and the remaining three have been partially implemented. These are not considered significant and are still being considered. Improvements in all areas examined were noted.

One additional recommendation was raised in respect of a corporate risk / issue relating to a noticeable increase in requests for ICT support due to reducing numbers in directorates with a loss of experience in some IT related issues at a time when ICT resources themselves are under pressure.

Payroll Overpayments- audit follow up

A follow up audit has been undertaken and findings reported in draft. This has recognised some progress in tackling the incident of overpayments but overall a limited assurance opinion is to be given as the number of cases is considered unacceptable, especially relating to schools. Audit has met with interested parties and it is hoped a final report will be completed soon. Details of individual cases have been shared with some Directors seeking assurances that control will be enhanced in these areas. The intention is to discuss this matter with the Chief Executive, given this matter has previously been referred to him, so he can take action to ensure the audit recommendations are acted upon. A review will be undertaken 6 months following issue of the final report.

Treasury Management - audit feedback

An audit of Treasury Management systems was completed in January 2015, and based on the work undertaken and samples tested during the audit, Satisfactory Assurance can be provided that controls are in place in this area. A Control Risk Self Assessment (CRSA) approach was utilised for the first time during this audit and proved to be successful in raising awareness of the key control areas. Following the completion of the CRSA document by the OM - Capital & Treasury, in which all fundamental financial systems in operation were considered and self assessed, a review was carried out by Internal Audit to identify those areas representing the highest risk and therefore necessitating examination. Testing was carried out in these areas and robust controls were found to be in place. The Action Plan consisted of one red/amber recommendation and immediate steps have been taken by management to implement this. Given the role that the Audit Committee plays in overseeing the treasury management function, I consider that this internal audit opinion provides assurance around the control environment in which the processes and procedures operate.

Property & Procurement Delegations follow up audit

This audit was suggested to provide assurance that the new thresholds for Member engagement in property and procurement decisions has been applied following the work of the Constitution Committee's Task & Finish Group into this matter.

Given the threshold was set at £1million for procurement decision consultation there has only been a small number of contracts awarded above this level since the change, but the audit has identified the need to demonstrate consistent adherence to these constitutional changes.

Audit fieldwork is ongoing, in which member consultation for land and property disposals will also be reviewed.

Letter to the Chair of Children's Scrutiny Committee

Following discussion at the Audit Committee meeting in January it was agreed that the Chair of Audit Committee send a letter to the Chair of Children's Scrutiny Committee outlining their concerns around a recent follow up audit of safeguarding which provided only limited assurance. A letter was sent on Monday 2nd February 2015 and the two Chairs met on 20th February to discuss the matter. It was agreed a joint letter be sent to the Executive member expressing concern and seeking assurance around implementing the audit recommendations in timely fashion. This letter was sent on 2nd March 2015, copy attached (Annex 1). The situation will be monitored.

Other

School Budget

Following concerns raised at a previous Audit Committee meeting regards the delay in setting a school's budget, Members requested a list of all schools with a deficit budget with details of when the deficit would be eliminated. Such a list is attached for information (Annex 2).