

Wednesday, 13 November 2024

Report of the Audit Manager

Outstanding Audit Recommendations

Exempt Information

None.

Purpose

To provide the Committee with an overview concerning the currently outstanding and overdue audit recommendations.

Recommendations

It is recommended that the committee:

- Notes the report and provides observations on the content;
- Notes that a further report providing details of progress to date and a planned completion date for each of the outstanding recommendations is brought to the next committee meeting.

Executive Summary

Following discussions at this committee's meeting of 25th September 2024 it was agreed that the Audit Manager would bring forward a paper outlining currently outstanding audit recommendations.

At the conclusion of Internal Audit reviews an assurance level (substantial, adequate, limited or no) related to the system that was subject to review is provided to management. In addition, where we report weaknesses in the control environment and/or improvements to systems we agree with management a set of recommendations. These include agreed implementation dates, that will achieve the services objectives and provide assurance over the systems of internal control. This is an essential part of the governance and assurance process by which both senior management and the Audit & Governance Committee can assure themselves over the operation of the Council's systems. It also provides a link into both the Council's Annual Governance Statement and ultimately the Audit Manager's ability to provide an annual audit opinion.

All recommendations are under the ownership of service management and ultimately the Council's Corporate Management Team. Internal Audit, as part of our Audit Charter & Protocol will follow up on audit recommendations to ensure that they have been implemented. Additionally, Internal Audit will follow up all 'Limited Assurance' reviews gaining full evidence of recommendation implementation and provision, where appropriate, of a revised assurance level.

All internal audit and progress reports are reported to Audit & Governance Committee on a quarterly basis.

Internal Audit prioritises the audit recommendations as either high, medium or low priority. The definitions of audit recommendations are shown in the table below.

Definition
High priority recommendations representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency or further reduce the organisation's exposure to a risk.

Audit & Governance Committee, at its meeting on 25th September 2024 requested a report detailing the current position relating to outstanding audit recommendations, together with responses in terms of the length of time these recommendations have been outstanding. As at 16th October 2024 we have the following number of outstanding recommendations

Priority	Number of Outstanding Audit Recommendations	% outstanding by priority
High	8	12.50
Medium	35	54.69
Low	21	32.81
Total	64	100.00

A listing of all high priority recommendations is contained in **Appendix 1** of this report.

Analysis of outstanding recommendations by audit year raised is outlined below.

Audit Year	High	Medium	Low	Total
2018/19	1			1
2019/20				
2020/21	1			1
2021/22	3	2	1	6
2022/23		8	1	9
2023/24	1	16 (2)	7 (2)	24 (4)
2024/25	2 (2)	9 (9)	12 (11)	31 (22)
Total	8 (2)	35 (11)	21 (13)	64 (26)

Note: Figures in brackets indicates that a number of the recommendations raised are currently in progress for completion.

Further analysis has been completed to identify in which service areas the recommendations have been raised. All current outstanding recommendations are shown in **Appendix 2** of this report.

Area	High	Medium	Low	Total
Finance	1	4 (1)	4 (1)	9 (2)
Housing Repairs / Landlord H&S	2	8 (1)		10 (1)
ICT / Finance	5 (2)	2	1	8 (2)
ICT		6 (6)	11 (8)	17 (14)
Community Safety			1 (1)	1 (1)
HR		7	1	8
Revenues		1 (1)	1 (1)	2 (2)
Food Safety		2 (2)	2 (2)	4 (4)

Housing Rents		2		2
Corporate Policy		2		2
Taxi Licences		1		1
Total	8 (2)	35 (11)	21 (13)	64 (26)

Note: Figures in brackets indicates that a number of the recommendations raised are currently in progress for completion.

Internal Audit, as part of the assurance processes review 100% of all high priority recommendations to ensure that they have been fully implemented. It is proposed that subsequent to this the section would review a random sample of 10% of all medium and low priority recommendations following management confirmation that the recommendation has been implemented.

Options Considered

None.

Resource Implications

None.

Legal/Risk Implications Background

Compliance with agreed standards within the Public Sector Internal Audit Standards and in accordance with industry best practice.

Equalities Implications

Community Impact Assessment completed see **Appendix 3**.

Environment and Sustainability Implications (including climate change)

None.

Background Information

None.

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List of Background Papers

Appendices

Appendix 1 – High Priority Recommendations

Appendix 2 – All Recommendations raised per Audit Area

Appendix 3 – Community Impact Assessment

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