

<b>6 December 2012</b>		<b>ITEM: 9</b>
<b>Standards &amp; Audit Committee</b>		
<b>Follow-up of High and Medium Recommendations</b>		
<b>Report of:</b> Cllr Philip Smith – Portfolio Holder Central Services		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> None	
<b>Accountable Head of Service:</b> Chris Harris – Head of Internal Audit		
<b>Accountable Director:</b> Martin Hone – Director of Finance & Corporate Governance		
<b>This report is Public</b>		
<i>If the report, or a part of this, has been classified as being either confidential or exempt by reference to the descriptions in Schedule 12A of the Local Government Act 1972, it is hereby marked as being not for publication. The press and public are likely to be excluded from the meeting during consideration of any confidential or exempt items of business to which the report relates.</i>		
<b>Date of notice given of exempt or confidential report:</b> Not applicable		
<b>Purpose of Report:</b> For the Standards & Audit Committee to satisfy itself that progress against the implementation of recommendations is satisfactory.		

## **EXECUTIVE SUMMARY**

This report sets out progress against the implementation of high and medium recommendations made in audit reports which have been finalised and issued to the client since April 2012. For the purposes of this follow-up report, all are schools as these have been prioritised where they are either moving to Academy status, or, the infant and junior schools are amalgamating to become a primary school. These schools are potentially higher risk as they could misuse their budgets prior to transfer e.g. charge costs that apply to the new school against the budget of the old, which could result in the Council having to meet unforeseen costs.

### **1. RECOMMENDATION:**

- 1.1 That the Standards & Audit Committee note progress made by management in implementing high and medium recommendations reported in the reviews identified at 3.1 below.**

## **2. INTRODUCTION AND BACKGROUND:**

- 2.1 As part of the process for ensuring management act on the recommendations made in internal audit reports, the annual plan includes an allocation of days for follow-up work.
- 2.2 The Standards & Audit Committee has a responsibility for reviewing the results of the follow-up work to satisfy itself that management are acting on the recommendations made in a timely manner. The follow-up work carried out by the Internal Audit Service is a key source of assurance to the Standards & Audit Committee about the operation of the internal control environment.

## **3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:**

- 3.1 The audits considered as part of the follow up review were:
- Beacon Hill School
  - Dilkes Primary School
  - The Grays School Media Arts College
  - Holy Cross Catholic Primary School
  - Kenningtons Primary School
  - Stifford Clays Infant School
  - Stifford Clays Junior School
  - St Joseph's Catholic Primary School
  - Thameside Infant School
  - Thameside Junior School
  - West Thurrock Primary School
- 3.2 The follow-up process concentrates on the recommendations classified as high or medium. It requires management to provide evidence to support their responses that recommendations made have been adequately implemented. For recommendations categorised as low, Internal Audit would usually accept management's assurance regarding their implementation. However, as the school's audit programme is a full test of the controls in operation, all low recommendations were also checked.
- 3.3 A total of 74 recommendations were considered in this review. These comprised of 1 high, 16 medium and 57 low recommendations. All had reached their implementation date.
- 3.4 In conclusion, progress on implementation of recommendations is reasonable. The overall figure of 76% of recommendations that had reached their target date being fully actioned is less than the 87% reported as part of last year's annual report. However, implementation of the 1 high and 14 of the medium recommendations (88%) is in line with last year's performance. It is implementation of the low risk recommendations (72%) that has caused the overall reduction in performance.

**4. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 4.1 The follow-up review is discussed with the Corporate Director Finance & Corporate Governance and any concerns are raised with relevant Directors and Heads of Service.
- 4.2 All responses are discussed with management for their comments on progress and evidence obtained for high and medium recommendations.

**5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 5.1 The Council’s corporate priorities were used to inform the annual audit plan. Recommendations made are designed to further the implementation of these corporate priorities and the follow-up review assists in this process.

**6. IMPLICATIONS**

**6.1 Financial**

Implications verified by: **F. Gardiner**  
 Telephone and email: **01375 652147**  
**fgardiner@thurrock.gov.uk**

As this report is for information, there are no direct financial implications arising from this report.

**6.2 Legal**

Implications verified by: **D. Lawson**  
 Telephone and email: **01375 652087**  
**david.lawson@bdtlegal.org.uk**

As this report is for information, there are no adverse legal implications relating to the reporting progress.

**6.3 Diversity and Equality**

Implications verified by: **S. DeAlyn**  
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**sdealyn@thurrock.gov.uk**

There are no direct diversity implications arising from this report as it is for information purposes only.

**6.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

As this report is for information, there are no other implications arising from this report.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT):**

- Final Internal Audit Reports issued

**APPENDICES TO THIS REPORT:**

- Appendix 1: Follow-up report of Previous Internal Audit Recommendations

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