

EAST HERTS COUNCIL

AUDIT COMMITTEE - 21 SEPTEMBER 2011

REPORT BY SHARED INTERNAL AUDIT SERVICES AUDIT  
MANAGER

INTERNAL AUDIT SERVICE – POSITION STATEMENT

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- This report provides:
  - a) A position statement on internal audit activity undertaken by the Shared Internal Audit Service (SIAS) between 1 June and 19 August 2011; and
  - b) An update on the implementation of outstanding audit recommendations.

<b><u>RECOMMENDATION:</u></b>
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<b>(A)</b>	<b>That the report be received.</b>
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1.0 Background

1.1 On 1 June 2011, East Herts District Council Internal Audit Service passed 400 days of the Annual Audit Plan for 2011-12 to the SIAS. One FTE Principal Auditor was TUPE'd over to Herts County Council and has to date, continued to work on delivering the Council's Annual Audit Plan. The Principal Auditor has also undertaken work to support the embedding of the new SIAS ways of working across the Council. In forthcoming months, audit reviews will be delivered by auditors from the SIAS auditor pool which will bring a wider skill set and knowledge to the Council and increase resilience.

1.2 The SIAS appraises financial and non-financial systems and performs consultancy and value for money work. The remit of internal audit is found in three areas, namely providing independent assurance on internal controls, risk based auditing and efficiency reviews.

## 2.0 Report

- 2.1 Since the previous Audit Committee in July 2011, reports have been issued on Summer Activities (formerly known as Playschemes), Concessionary Travel, Rural Business Development, Reputation Management, Absenteeism Management and Chairman's and Members' Allowances. Work has also been carried out on Leisure Management Contract, Insurance, IT Controls and the Grounds Maintenance Contract.
- 2.2 The transition to the SIAS has seen the introduction of a new risk-based auditing methodology and the rolling out of the County Council's Audit Management and Time Recording System, Galileo, to all SIAS employees.
- 2.3 **Essential Reference Paper 'B'** to this report details progress made against implementing outstanding audit recommendations. Items can only be removed from the follow-up templates when evidence exists to confirm that a recommendation has been actioned.
- 2.4 The current audit opinion on the status of recommendations is categorised as follows:
- **Resolved:** This status is given where sufficient evidence has been provided and/or testing has been carried out to conclude that the recommendation has been implemented. Once a resolved item is reported to the Audit Committee it is removed from the template.
  - **Conditionally Resolved:** This status is given where management do not accept a recommendation. In these cases the Audit Committee require written explanation from the relevant manager.
  - **Continue to monitor:** This status is given where reports have only recently been issued and compliance has not been assessed or where partial action has been taken towards full compliance with the recommendation.
  - **Risk continues (with warning bell):** This status is given where the recommendation has not been implemented or where insufficient progress has taken place and where the matter is considered to represent a risk for the Council until

implementation.

2.5 Good progress has been made in clearing outstanding audit recommendations since the last Audit Committee. The template shows eleven recommendations as resolved.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Internal Audit and Business Improvement Service - Position Statement – Audit Committee 23 March 2011.

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## ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives:	<b>Fit for purpose, services fit for you</b> <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	No public consultations were required during the preparation of this report.
Legal:	There are no additional legal implications to those already contained in this report.
Financial:	There are no additional financial implications to those already contained in this report.
Human Resource:	There are no additional human resource implications to those already contained in this report.
Risk Management:	There are no additional risk management implications to those already contained in this report.