

Internal Audit Recommendations

Report by Internal Audit Manager

1 Purpose of Report

The purpose of this report is to inform the Audit Committee of the number of recommendations raised by Internal Audit over the last 4 years and the Council's performance in addressing these issues by the agreed implementation dates.

2 Background

2.1 Internal Audit suggests recommendations for improving internal control and to assist the Council deliver best value. Where management and the Audit Committee agree these recommendations, the issues are updated to Covalent (the Council's performance management system) along with a date by which management should have completed the agreed action.

2.2 Each year, Internal Audit undertakes two follow up reviews on recommendations raised. The first samples recommendations which have been reported as complete and reviews the adequacy of the actions taken (reported to June 2016 Audit Committee). The second reports on the progress management have made in completing and closing the recommendations by the expected date (which is the subject of this report).

3 Performance

3.1 Over the period 2013/14 to October 2016, Internal Audit has raised a total of 497 recommendations. 406 of these are reported as having been completed (82%), 57 have not yet reached their due date (11%) and 34 are showing as overdue (7%).

3.2 The recommendations that have gone over their expected completion dates are detailed within Appendix 1 along with the current progress made against the action and the latest management update.

3.3 Contrasting this performance to the last Internal Audit report presented to the Audit Committee in December 2015 (covering the period 2012/13 to September 2015), Internal Audit had raised a total of 470 recommendations. 424 of these were reported as having been completed (90%), 28 had not reached their due date (6%) and 18 were showing as overdue (4%).

- 3.4 There is therefore an increase of 3% in overdue issues compared to last year's report. However, the majority of these recommendations are underway and a number are almost complete (as detailed in Appendix 1).

4 Report Implications

4.1 Resource

There are no direct resource implications arising from the report.

4.2 Risk

The recommendations made by Internal Audit are directly related to reducing the level of risk that the Council is exposed to.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

4.4 Key Priorities within the Single Midlothian Plan

Internal Audit reports review internal controls across the Council including those that relate to the key priorities within the Single Midlothian Plan.

4.5 Impact on Performance and Outcomes

The report identifies the performance of the Council in closing issues by the agreed implementation date.

4.6 Adopting a Preventative Approach

Adoption of the Internal Audit recommendations assists in preventing risks facing Midlothian Council and delivery of best value and therefore provides a preventative approach.

4.7 Involving Communities and Other Stakeholders

The results of this analysis have been discussed with the Chief Executive, the Corporate Management Team and the Audit Committee.

4.8 Ensuring Equalities

There are no equalities issues with regard to this report.

4.9 Supporting Sustainable Development

There are no sustainability issues with regard to this report.

4.10 IT Issues

There are no IT issues with regard to this report.

5 Recommendations

The Audit Committee is asked to note:

- the content of the report; and
- that Internal Audit will continue to monitor for completion of the outstanding issues and will provide reports to the Audit Committee.

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Appendices:

Appendix 1 – Outstanding audit issues for Midlothian Council