

**WAVERLEY BOROUGH COUNCIL**  
**AUDIT COMMITTEE –15 MARCH 2016**

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**Title:**

**PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS**

**[Wards Affected: All]**

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**Summary and purpose:**

To inform the Audit Committee of Senior Management's progress in implementing the recommendations raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the target date.

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**How this report relates to the Council's Corporate Priorities:**

Internal Audit work contributes to the safeguarding of assets against loss and waste and for identifying other value or money issues.

**Financial Implications:**

Internal audit work helps management in achieving good value for money and, individual recommendations may have value for money implications.

**Legal Implications:**

There are no direct legal implications, although good governance is strengthened by attention to the matters raised in audit recommendations.

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**Introduction**

1. This report provides the Audit Committee with the latest position regarding the implementation of Internal Audit recommendations.
  2. Annexe 1 provides the current position on recommendations due for completion at the end of the month of the Audit Committee date.
  3. Annexe 2 details the request for change of implementation due date.
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## **Conclusion**

4. Recommendations relate to the control environment and hence the overall governance and risk management of the Council, and it is important that agreed actions are completed within timeframes agreed with the relevant Head of Service.

## **Recommendation**

It is recommended that the Committee:

1. considers the information contained in Annexe 1 and identifies any action it wishes to be taken; and
  2. agrees an appropriate implementation date for the recommendation listed in Annexe 2.
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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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## Audit Recommendations overdue or due within next month

Generated on: 4 March 2016

Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

### Head of Service Wagstaff, Hugh

<b>Action Code &amp; Description</b>	IA15/28.002 Contract	The Council should ensure that a signed contract is in place with all contractors for which services are procured which contain the expected requirements.	<b>Exit Meeting Date</b>	26-Jun-2015
			<b>Due Date</b>	31-Dec-2015
<b>Audit Report Code and Description</b>		IA15/28 Legionella, Electrical and Fire Checks		
<b>Agreed Action</b>		Agreed, contracts will be in place		
<b>Status</b>		Overdue	<b>Progress</b>	90%
<b>Head of Service</b>	Hugh Wagstaff			
<b>Most recent Update from Head of Service</b>	Contracts in place for electrical and fire checks. Delay in the procurement until April 2016. Corporate Management Team aware and have authorised the extension of the current agreement			27-Jan-2016
<b>Risk Assessment</b>	The absence of a signed contract opens up the opportunity for the contractor to challenge the requests being made by Waverley in relation to the current contract delivery methodology.			MEDIUM

<b>Action Code &amp; Description</b>	IA16/05.001 Deed of Variation	The Deed of Variation covering the 2014/15 period was with the Council's legal department at the time of the audit, and the Housing team were awaiting formal issue of the variation.	<b>Exit Meeting Date</b>	27-Aug-2015
			<b>Due Date</b>	06-Oct-2015 revision requested at 17/11/2015 AC for revised date of 29/02/16
<b>Audit Report Code and Description</b>		IA16/05 Kitchen & Bathroom (basket rates)		
<b>Agreed Action</b>		The Council will formally issue the Deed of Variation incorporating the new basket rates for kitchen and bathrooms into the programme of works between the Council and Mears.		
<b>Status</b>		Overdue	<b>Progress</b>	50%
<b>Head of Service</b>	Hugh Wagstaff			
<b>Most recent update from Head of Service</b>	Borough Solicitor provided email update to the Audit Committee on 17/02/2016 re an update to advise why the original timeframe had not been achieved.			25-Feb-2016
<b>Risk Assessment</b>	The council has been working closely with the contractor to implement the changes that has been including in the Deed of Variation, as it is mutually beneficial to both parties due			MEDIUM

	<p>to the complexity of the initial contract terms. Therefore as the contractor has accepted the variation in principal and is working to the variation re Basket Rates. There is however a risk that their legal team may have a different opinion on its content which could delay acceptance. Any changes in personnel current part of this process could jeopardise progress.</p>	
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## **ANNEXE 2**

### **Internal Audit Recommendations presented to the Audit Committee for status change of Due Date on Covalent**

<b>Report ref/ recommen dation ref</b>	<b>Title</b>	<b>Recommendation</b>	<b>Justification/ Reason for change in implementation date</b>	<b>Responsible officer</b>
IA16/05.001	Kitchen & Bathroom Basket Rates re Deed of Variation	The Deed of Variation covering the 2014/15 period was with the Council's legal department at the time of the audit, and the Housing team were awaiting formal issue of the variation.	Since November 2015 the Director of Operations has increased the scope of the Deed of Variation. These have been presented to Mears in early February 2016 and we await a response from Mears senior officers.  Therefore a request is made for an extension.	Head of Housing Operations - Hugh Wagstaff  Legal Services