| Meeting: | **Audit Committee** |
| Date: | **13 January 2014** |

# Subject: Tracking of Audit Recommendations

**Report of:** **Charles Warboys, Chief Finance Officer**

**Summary:** This report summarises the high priority recommendations arising from Internal Audit reports and sets out the progress made in their implementation.

| | |
|---|---|
| Advising Officer: | Charles Warboys, Chief Finance Officer |
| Contact Officer: | Kathy Riches , Head of Internal Audit and Risk |
| Public/Exempt: | Public |
| Wards Affected: | All |
| Function of: | Audit Committee |

---

**CORPORATE IMPLICATIONS**

**Council Priorities:**
An effective internal audit function will indirectly contribute to all of the Council's priorities.

**Financial:**

1. Although there are no direct financial risks from the issues identified in the report, the outcome of implementing audit recommendations is for the Council to enhance internal control, and better manage its risks, thereby increasing protection from adverse events.

**Legal:**

2. None arising directly from the report.

**Risk Management:**

3. None arising directly from the report. However, the Audit Committee has a role in providing independent assurance on the adequacy of the risk management framework and associated control environment, in line with the Corporate Risk Management Strategy.

**Staffing (including Trades Unions):**

4. None directly from this report.

**Equalities/Human Rights:**

5.        None directly from this report.

**Public Health:**

6.        None directly from this report.

**Community Safety:**

7.        None directly from this report.

**Sustainability:**

8.        None directly from this report.

**Procurement:**

9.        None directly from this report.

---

**RECOMMENDATION:**

**The Committee is asked to:**

**1.        Consider and comment on the updates as presented.**

**Background**

10.        One of the purposes of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework and the associated control environment.

11.        To further strengthen the Audit Committee's role in monitoring the internal control environment within the Council, Internal Audit has developed a system for monitoring and reporting progress against high priority recommendations arising from internal audit inspections.

12.        This paper represents the regular summary of high priority recommendations made to date, along with the progress made against implementation of those recommendations.

**Tracking High Priority Recommendations**

13.        At the time of the last Audit Committee only one high priority recommendation made prior to April 2012 remained outstanding. This related to the 2009/10 SAP Access and Security (including ITDR) audit. The recommendation has been carried over to the 2012/13 IT Disaster Recovery Audit.

14. As has been reported to previous Committees, work is in progress to address this. There are a number of actions required to fully implement this recommendation. In order to enable the Committee to monitor progress made, the recommendation has been subdivided into a number of individual activities and progress against each of these elements is tracked at Appendix A.

16. Appendix B sets out the reports issued during 2012/13 that contain high priority recommendations. The table below provides a summary by Directorate.

17. **Table 1 - Summary of Additional High Priority Recommendations Made during 2012/13**

| | Corporate Services | Children's Services | Sustainable Communities | Social Care Health and Housing | Total | % |
|---|---|---|---|---|---|---|
| No. of Reports containing high recs. | 3 | 0 | 0 | 3 | 6 | |
| | | | | | | |
| Recs: | | | | | | |
| Completed GREEN | 8 | 0 | 0 | 6 | 14 | 88 |
| Ongoing- On schedule for completion within timescales GREEN | 0 | 0 | 0 | 0 | 0 | 0 |
| No work started Within target GREEN | 0 | 0 | 0 | 0 | 0 | 0 |
| Ongoing with deadline missed AMBER | 2 | 0 | 0 | 0 | 2 | 12 |
| No work started Deadline missed RED | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Recs. | 10 | 0 | 0 | 6 | 16 | 100 |

18. Appendix D provides the details of the 2 recommendations contained in Table 1 where implementation of the recommendation is running behind planned completion dates.

19. Eight reports containing high priority recommendations have been issued since April 2013. These are detailed in Appendix C. Fourteen high priority recommendations have been made. Appendix E provides the details of the single recommendation that is running behind planned completion dates.

20.     Wherever possible evidence has been obtained to verify the implementation of recommendations.  However, in some instances, verbal assurance has been obtained.  Where this is the case, further evidence will be obtained to support the assurances given.

21.     Progress will continue to be monitored.  The follow up of audit recommendations forms an integral part of the managed audit reviews.

**Future  Monitoring**

22.     Officers responsible for the implementation of recommendations will be contacted regularly to provide updates on progress made.  Evidence will be required to support progress made.  Where recommendations are still being implemented these will continue to be monitored.

**Conclusion**

23.     In total there are currently only 3 high priority recommendations that are amber (underway, with deadline missed).

24.     Further work is required to ensure that the outstanding recommendations are implemented and to monitor additional recommendations made during the year.

25.     This continuous tracking and reporting of progress on Internal Audit inspections to the Audit Committee ensures that the Committee has the means to monitor how effectively the high priority recommendations have been implemented.

**Appendices:**

Appendix A – Detailed Tracking of the 2009/10 SAP Access and Security (incl. IT DR) Managed Audit (2012/13 IT Disaster Recovery Audit) Recommendation

Appendix B - Details of monitoring of High Priority Internal Audit recommendations - Reports issued during 2012/13

Appendix C - Details of monitoring of High Priority Internal Audit recommendations - Reports issued during 2013/14

Appendix D - Details of recommendations made prior to April 2013 that remain outstanding (excluding IT DR)

Appendix E – Details of recommendations made since April 2013 that remain outstanding

**Background Papers:**

None

**Location of papers:** N/A