Meeting:	Audit Committee
Date:	22 September 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 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.

14.   As has been reported to previous Committees, work is in progress to address this. There were a number of actions required to fully implement this recommendation. The progress against each of these elements is tracked at Appendix A. Since the last Committee a decision tree has been developed to enable a structured and clear response to an IT DR (Information Technology Disaster Recovery) event, and the roles and responsibilities within the Disaster Recovery Plan have now been agreed.

15.   All the high recommendations made during 2012/13 have now been addressed.

16.   Thirteen reports containing high priority recommendations were issued during 2013/14. These are summarised in Appendix B. Twenty high priority recommendations were made. Appendix C provides the details of the four recommendations that are running behind planned completion dates.

17.   Since 1st April 2014 three reports have been issued containing high priority recommendations. Eleven high priority recommendations have been made. These are summarised at Appendix D. One recommendation is running behind the planned implementation date and the details of this are set out in Appendix E.

18.   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.

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

Future Monitoring

20.   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

21.   In total there are currently six high priority recommendations that are amber (underway, with deadline missed).

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

23.   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 - Summary of monitoring of High Priority Internal Audit recommendations - Reports issued during 2013/14

Appendix C – Details of recommendations made during 2013/14 that remain outstanding

Appendix D - Summary of monitoring of High Priority Internal Audit recommendations - Reports issued during 2014/15

Appendix E - Details of recommendation made during 2014/15 that remains outstanding

Background Papers:

None