AUDIT COMMITTEE   12 January 2015

TRACKING OF INTERNAL AUDIT RECOMMENDATIONS

Advising Officers:

Charles Warboys, Chief Finance Officer
(charles.warboys@centralbedfordshire.gov.uk)

Kathy Riches, Head of Internal Audit and Risk
(kathy.riches@centralbedfordshire.gov.uk)

Purpose of this report:

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

RECOMMENDATION

The Committee is asked to consider and comment on the updates, as
presented.

Overview and Scrutiny Comments/Recommendations

1.   This report is not scheduled to be considered by Overview and Scrutiny
      as the Audit Committee provides independent scrutiny of the Authority's
      financial performance.

Background

2.   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.

3.   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.

4.   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

5. 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.

6. 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.   The progress made since the last Committee has been highlighted.   In summary, Emergency Planning have been working with directorates to develop updated Business Impact Assessments (BIAs) and IT have engaged IT Disaster Recovery experts to assist with the prioritisation and analysis of dependencies between systems (see also Risk Update Report – reference STR0008).

7. There are no outstanding audit recommendations relating to reports issued during 2010/11, 2011/12 or 2012/13.

8. 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 three recommendations that are running behind planned completion dates.

9. Since 1st April 2014 five reports have been issued containing high priority recommendations. Fourteen high priority recommendations have been made. These are summarised at Appendix D. Three recommendations are running behind the planned implementation date and the details of these are set out in Appendix E.

10. 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.

11. Progress will continue to be monitored. The follow up of audit recommendations forms an integral part of the fundamental system audit reviews.

Future Monitoring

12. 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.

Council Priorities

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

Corporate Implications

Legal Implications

14. There are no legal implications.

Financial Implications

15. 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.

Equalities Implications

16. There are no equalities implications.

Conclusion and next Steps

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

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

19. 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