

## Central Bedfordshire Council

**AUDIT COMMITTEE**

4 April 2016

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### **Tracking of Internal Audit Recommendations**

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#### **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.

#### **RECOMMENDATIONS**

The Committee is asked to:

1. 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 this is the responsibility of the Audit Committee.

#### **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, as at the end of February 2016.

## **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 IT Disaster Recovery) audit. Internal Audit undertook a further audit review of IT Disaster Recovery during 2015/16. Three high priority recommendations were made, including the previous recommendation that a Disaster Recovery plan should be developed. These are detailed in Appendix A (recs. 1-3). Appropriate insurance cover is now in place for equipment held at data centres and this recommendation will be removed from future tracking reports.
6. One high priority recommendation made during 2013/14 remains outstanding. This relates to the reconciliation of Housing Repairs expenditure held in QL to SAP. The current position is detailed at Appendix A (rec.6)
7. 4 reports containing high priority recommendations have been issued during 2015/16 to date. 8 high priority recommendations have been made. These are summarised at Appendix B. The two high priority recommendations relating to the Comensura system were addressed in late October 2015 when a revised process was introduced. The new controls are currently being tested as part of the Phase 2 of the Accounts Payable 2015/16 audit.
8. 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.
9. Progress will continue to be monitored. The follow up of audit recommendations forms an integral part of the fundamental system audit reviews.

## **Future Monitoring**

10. 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**

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

## **Corporate Implications**

### **Legal Implications**

12. None directly from this report.

### **Financial Implications**

13. 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**

14. None directly from this report.

### **Conclusion and next Steps**

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

16. 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 – Details of recommendations made during 2013/14, 2014/15 and 2015/16 that remain outstanding

Appendix B – Summary of monitoring of High Priority Internal Audit recommendations - Reports issued during 2015/16

### **Background Papers**

None.