

**REPORT FROM: CENTRAL SERVICES
AUDIT AND PERFORMANCE MANAGER**

TO: ACCOUNTS AND AUDIT COMMITTEE

DATES: 25th January 2017

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INTERNAL AUDIT: RECOMMENDATION DATABASE

1. In accordance with the Public Sector Internal Audit Standards (PSIAS) a follow up process to monitor and ensure that management actions have been effectively implemented must be established. This report provides Members with a summary of progress on the implementation of internal audit recommendations as at 09th January 2017.

RECOMMENDATIONS

2. That the Accounts and Audit Committee note the progress made on the implementation of Internal Audit recommendations up to the 09th January 2017.

REASONS FOR RECOMMENDATION

3. To demonstrate that the Accounts and Audit Committee is monitoring the implementation of recommendations.

ISSUE

4. A key role of the Accounts and Audit Committee, as set out in the Terms of Reference of the Committee, is to:-

“To act as a forum to ensure the rapid delivery and implementation of audit recommendations once agreed, ensuring that auditors and officers collaborate effectively”.

5. It was agreed that the Committee’s role in this respect should be discharged by considering a report on the status of implementation of recommendations at each of its meetings. This summary report has been produced to satisfy this requirement.
6. The status on implementation in respect of Priority 1 & 2 recommendations issued in each final report (in some cases superseded) since 1st April 2015 is shown below in **Appendix A**. Of 127 recommendations made by Internal Audit, 87 (69) have been implemented and 28 (20) are currently in the process of being implemented by Management.

7. There are 11, Priority 2 recommendations outstanding as at 09th January 2017 covering 2 audit reports. The position on implementation of these has been established and a synopsis of each report is shown in **Appendix B** including an update in cases where we have previously reported. Since the agreed timescales have passed Internal Audit is liaising with management to ensure steps are being taken to manage identified risks and implement recommendations. Where necessary we will assess whether an alternative course of action is feasible and discuss these with Management.
8. There is 1 recommendation which is not to be implemented and reasons have previously been provided to this Committee.

Appendix A

Priority 1 Recommendations						
Service Grouping	Total	Implemented	In progress	Outstanding	Not advised	Not to be Implemented
Corporate	0	0	0	0	0	0
Financial Services	1	0	1	0	0	0
Democratic and Legal	0	0	0	0	0	0
HH Services & Eco Regeneration	0	0	0	0	0	0
Neighbourhood Services	0	0	0	0	0	0
Planning, Building Control & Licensing	0	0	0	0	0	0
Environmental Services	0	0	0	0	0	0
-Human Resources	0	0	0	0	0	0
-ICT	0	0	0	0	0	0
-Property Services	1	1	0	0	0	0
-Treasury Services	5	5	0	0	0	0
-Leisure Trust	0	0	0	0	0	0
TOTAL	7	6	1	0	0	0
Percentage		85.71%	14.29%	0.00%	0.00%	0.00%
Previous Report	7	71.43%	28.57%	0.00%	0.00%	0.00%

Priority 2 Recommendations						
Service Grouping	Total	Implemented	In progress	Outstanding	Not advised	Not to be Implemented
Corporate	16	6	10	0	0	0
- Financial Services	8	6	2	0	0	0
-Democratic and Legal	7	5	2	0	0	0
HH Services & Eco Regeneration	14	9	5	0	0	0
Neighbourhood Services	6	6	0	0	0	0
-Planning and Building Control	1	1	0	0	0	0
Environmental Services	9	8	0	0	0	1
-Human Resources	13	7	6	0	0	0
-ICT	15	4	0	11	0	0
-Property Services	7	6	1	0	0	0
-Treasury Services	11	10	1	0	0	0
-Leisure Trust	13	13	0	0	0	0
TOTAL	120	81	27	11	0	1
Percentage		67.50%	22.50%	9.17%	0.00%	0.83%
Previous Report	108	59.26%	16.67%	23.15%	0.00%	0.93%

Appendix B

Service Grouping – ICT

Audit Area- Asset Management (December 2015)

This audit examined the physical management of the IT assets supporting Council systems to ensure these are robust. 3 recommendations arose from the review. These covered fully maintaining of an asset and disposal registers and timely removal of redundant equipment.

Audit Area- Information Security Policy (December 2015)

The audit examined the Council's Information Security Policy and arrangements for managing its ICT security, 8 (Priority 2) recommendations resulted from the review. These included reviewing and updating the current policy, and the recommendations around the Council adopting relevant ICT policies which Liberata currently has in place i.e. Access Control Policy and Data Retention and Disposal Policy. Since we last reported, a new ICT Manager has been appointed and we are currently in discussions to determine progress with implementing these.

Both above audits were reported as overdue in the last report to Committee, however with changes in the ICT provision and a new Head of ICT Services in place, revised implementation dates have been agreed and we have been advised that these recommendations will be implemented by the end of March 2017.

KEY

	<i>Recommendation</i>	<i>Follow Up</i>
<i>Priority 1</i>	Major issues that we consider need to be brought to the attention of senior management.	Follow-up will be performed at specific dates agreed with senior management. The implementation of the recommendation will also be monitored quarterly in the IARD.
<i>Priority 2</i>	Important issues which should be addressed by management in their areas of responsibility.	Follow-up of the recommendations will be performed by the end of the next audit year. The implementation of the recommendation will also be monitored quarterly in the IARD.

Implemented

Management has advised recommendation implemented. In some cases this may have been confirmed by IA.

In Progress

Management has advised that implementation is in progress.

Outstanding

Management has advised that implementation is in progress where the agreed deadline has passed i.e. overdue.

Not Advised

Management has not indicated current position on the database.

Not to be Implemented

Recommendations where Management has advised that an agreed recommendation is not now to be implemented. These will be advised to Committee within our Progress Reports.

IMPLICATIONS

Policy: There are no policy implications arising directly from the contents of this report.

Financial: The budget for Internal Audit for 2016/17 is £92,210. As it is expected that the Audit Plan for 2016/17 will be delivered as planned, it is anticipated that the budget will not be exceeded.

Legal: The Council has a statutory duty to carry out internal audit of its systems and services, however, there are no direct legal implications arising from this report.

Risk Management: The Audit Plan is based on the results of a risk analysis exercise carried out with Service Managers prior to the compilation of the Draft Plan early in the year. However, there are no risk management implications arising directly from the contents of this report.

Health and Safety: There are no health and safety implications arising directly from the contents of this report.

Climate Change: There are no climate change implications arising directly from the contents of this report.

Community Safety: There are no community safety implications arising directly from the contents of this report.

Equality and Diversity: There are no equality and diversity implications arising directly from the contents of this report.