



Audit and Standards Committee Report

Report of: Senior Finance Manager, Internal Audit

Date: 16th November 2016

Subject: Recommendation Tracking Process

Author of Report: Senior Finance Manager, Internal Audit

Summary:

This report summarises the process applied by Internal Audit to follow-up on implementation of agreed recommendations. The report was requested at the Audit and Standards Committee meeting in September 16.

Recommendations:

To note the content of the report.

Background Papers:

Category of Report: Open

* Delete as appropriate

If Closed, the report/appendix is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).'

Statutory and Council Policy Checklist

Financial implications
YES /NO Cleared by: K Inman
Legal implications
YES /NO
Equality of Opportunity implications
YES /NO
Tackling Health Inequalities implications
YES /NO
Human rights implications
YES /NO
Environmental and Sustainability implications
YES /NO
Economic impact
YES /NO
Community safety implications
YES /NO
Human resources implications
YES /NO
Property implications
YES /NO
Area(s) affected
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council? YES/NO
Press release
YES /NO

Introduction

1. As requested by members at the last Audit and Standards Committee meeting, this report outlines the process for tracking implementation of agreed internal audit recommendations.
2. It should be stressed that responsibility for implementation and monitoring lies with the service managers/identified responsible officers and not with Internal Audit.
3. The following process exists, however, and includes roles for Internal Audit, Business Strategy and Senior Management groups such as Portfolio Leadership Teams (PLT) and the Executive Management Team (EMT).

Recommendation Tracking Process

4. Following completion of audit fieldwork, a draft report of findings and recommendation is produced by Internal Audit. A discussion meeting is held with the auditee to go through the findings for accuracy and agree the recommendations. An acceptable, realistic implementation date is also agreed.
5. The final report is then issued by Internal Audit to all on the circulation list – which includes the Service Managers, Director of Business Strategy and Executive Director.
6. After approx. 6 months or after the latest agreed implementation date has passed (whichever is sooner) Internal Audit conducts a follow-up review. The amount of resource dedicated to follow-up depends on the original audit opinion, with high opinion reports being the priority. An update report is issued to management after each follow-up review, to outline progress with implementation of recommendations. This is also issued to the relevant Director of Business Strategy and Executive Director.
7. Every 6 months a progress update is requested by Internal Audit from the relevant Heads of Service, including evidence to support the implementation of recommendations. This information is used to produce the High Opinion Audit (HOA) tracker report.
8. The draft HOA tracker report is submitted to EMT to inform Executive Directors of progress, and highlight areas where slippage has occurred and revised implementation dates have been agreed. The HOA tracker is then submitted to the Audit and Standards Committee.

9. Audit and Standards Committee members can, where they feel the need, 'call-in' officers to explain the reasons behind recommendation implementation slippage.

SharePoint Recommendation Tracking Site

10. Officers within the Place Portfolio have also developed a SharePoint Risk and Resilience site to monitor the progress of implementation of internal audit recommendations.
11. At the close of an audit, the findings, recommendations, agreed actions, implementation date and responsible officer from the final report are entered onto SharePoint by Internal Audit.
12. Service Managers within the Portfolio are required to access the SharePoint site frequently and add an update on progress implementing recommendations, together with supporting evidence. They also indicate whether the recommendation has been fully implemented or is still ongoing/outstanding.
13. On a regular basis, an officer within Business Strategy extracts a highlight report for Place PLT which summarises the position with regard to recommendation implementation. This forms part of their risk and resilience processes.
14. Following discussion across the portfolios, CYPF and Communities have agreed to implement the SharePoint system within their portfolios. Within Resources, there is no Business Strategy service and so discussions are being held with the Head of Legal and Governance to determine how the tracker can be used.

Recommendations

15. Members are asked to note the content of the report.