

Report to: Audit Committee

Date of meeting: 27 June 2016

Report of: Bob Watson - Head of Finance (shared services)

Title: Internal Audit Progress report 2015/2016

1.0 SUMMARY

1.1 This report gives details of the progress made in implementing the recommendations of the internal auditor.

2.0 RECOMMENDATIONS

- 2.1 Note the Internal Audit Progress Report against the 2015/16 Audit Plan (now complete)
- 2.2 Approve amendments to the Audit Plan as at June 2016
- 2.3 Agree removal of implemented recommendations (see Appendix 4)
- 2.4 Agree the changes to the implementation date for 32 recommendations (paragraph 2.5) for the reasons set out in Appendix 4.

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Report approved by: Bob Watson, Head of Finance

3.0 DETAILS

3.1 The Shared Internal Audit Service (SIAS) latest Progress Report is attached at Appendix 1.

3.2 Details of progress against the Internal Audit Plans for 2015/16 are attached at Appendix 2. Appendix 3 shows the proposed start dates of the 2016/17 audit plan.

3.3 Appendix 4 provides information on recommendations which remain outstanding from audits carried out in 2010/11, 2011/12, 2012/13, 2013/14, 2014/15 and 2015/16 and details only those recommendations which were not resolved at the time of the last report together with new audit reports issued since that time. New reports and new comments are shown in bold.

3.4 The table below summarises progress in implementation of the recommendations:

Year	Recom- mendations made (no.)	Implemented	Not yet due	Outstanding & request made for extended time	Percentage impleme nted %
2010/1 1	213	212	0	1	99%
2011/1 2	114	111	0	3	97%
2012/1 3	49	48	0	1	98%
2013/1 4	93	91	0	2	98%
2014/1 5	57	43	0	14	75%
2015/1 6	45	31	3	11	69%

3.5 ICT recommendations. At the previous Audit Committee meeting, the Head of Finance was tasked with reviewing the list of outstanding ICT recommendations and the progress to date in conjunction with SIAS. This was in the light of the pending contractor change and the restructure of the ICT service due from 1 July 2016. The review concluded that the history of management comments and actions to date should be removed from Appendices to the Committee report for the following audits:

a) Network Infrastructure (2009/10)

- b) IT Remote Working (2010/11)
- c) IT Project Management (2011/12)
- d) IT Back-up and Disaster Recovery (2011/12)
- e) Server Virtualisation (2012/13)
- f) Cyber Risk (2013/14)

Given the period of time that has elapsed since the reports were originally published, the changing status of IT service delivery at the Council and the constantly evolving digital landscape, we have determined that many of the previous comments and actions, while sound in principle, are now largely out of date and /or no longer relevant. Their removal also facilitates improved readability and conciseness of the Committee report and assists with the administration of the follow-up process.

The recommendations themselves will continue to form part of the Committee reports so that the record thereof is visible to the Committee and the history of comments and management actions are of course retained through previous Committee reports.

The recommendations will be used as part of an IT audit risk / needs assessment, and subsequent test programme once the restructure and contract handover is complete, i.e. the recommendations would all be tested during the first IT audit to see if they have been addressed. If they are found to be still extant, then they will be restated as at the new audit date with a new action plan developed to address them. At this point the existing recommendations (dating back from 2009/10) will be classed as complete and removed from the list of outstanding recommendations.

IT audit recommendations made from 2014/15 onwards, i.e. IT Change Management, Disaster Recovery and IT Operations and Contract Management, have been retained in full, especially as four high priority recommendations have been raised as significant governance issues in the Annual Governance Statement.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 There are no budget implications associated with this report. The work of internal audit contributes to the Council's corporate governance..

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 None Specific.

4.3 **Equalities**

None Specific.

4.4 **Potential Risks**

There are no risks associated with the decisions members are being asked to make.

APPENDICES

Appendix 1 – SIAS Progress Report

Appendix 2 – detailed progress against 2016/17 audit plan

Appendix 3 – 2016/17 Audit Plan projected start dates

Appendix 4 – Summary of outstanding recommendations