

PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

Head of Service/Contact:	Gillian McTaggart, Head of Policy, Performance & Governance
Annexes/Appendices (attached):	Annex 1 – Update on the Implementation of recommendations
Other available papers (not attached):	Internal Assurance Report 2017/18

Report summary

This report outlines progress made on the implementation of internal audit recommendations to strengthen the control environment.

Recommendation (s)

- (1) That the Committee notes progress made on the implementation of outstanding high and medium internal audit recommendations from the 2017/18 audit programme and other outstanding recommendations.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 None for the purposes of this report.

2 Background

- 2.1 The internal audit team (RSM) tracks progress made on the implementation of audit recommendations/internal audit management actions throughout the year. Its review focuses on the high and medium priority areas only.
- 2.2 An overview of progress made is included in the internal auditor's end of year report which contains the Head of Internal Audit's year end opinion.
- 2.3 RSM's end of year assurance report for 2017/18 stated 'Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made adequate progress in implementing the agreed actions.'

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2.4 RSM reviewed the implementation of two high and 19 medium management actions. Of these 13 were implemented (included the two high recommendations), 6 were in progress and 2 were outstanding. The outstanding recommendations related to IT.

3 2018/19 Update on the Implementation of Internal Audit Recommendations

3.1 During 2018/19, 30 recommendations have been followed up, of which two were rated high and the others rated as medium.

3.2 Details on each of these recommendations/management actions, including whether a recommendation has been superseded, fully or partially implemented or not implemented have been set out at **Annex 1**. In summary, 11 were fully implemented, 6 have been partially implemented or were on-going and 3 actions have been superseded. The remaining 10 recommendations which relate to the Cyber Security audit were not yet due for implementation.

3.3 The recommendations from the Cyber Security audit were reported to the Committee in November 2018. The Committee requested that an update on progress made against the recommendations be brought to the April 2019 Committee meeting.

3.4 Overall, there has been reasonable progress. No high recommendations are outstanding, although as at the end of January nine medium recommendations have been identified as partially implemented or on-going.

3.5 The main areas of concern for the Committee to note relate to emergency planning arrangements as shown below. These actions will be followed up as part of the tracking process by internal audit together with those other actions that have been partially implemented.

Audit	Recommendation	Action Agreed
Emergency Planning - Critical Function Analysis	The ICT department will undertake a review into their current Business Continuity Plan and provide further detail surrounding the critical function analysis. The critical function analysis should adequately document the details of the function and any resources required for the recovery of the function.	The ICT Manager is currently reviewing both the business continuity and disaster recovery arrangements - as part of this update the critical function analysis will be updated and fully documented

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Emergency Planning Disaster recovery procedures	The Acting Head of ICT will liaise with the relevant officer at Elmbridge and the lead at the new data centre to confirm a review of the current disaster recovery controls in place at the new data centre. These should be undertaken prior to the new data centre going live. Disaster recovery procedures should be tested on a regular basis to confirm adequate business continuity measures are in place.	The disaster recovery arrangements are being reviewed and a test will be undertaken once the migration to the new datacentre is completed.
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4 Financial and Manpower Implications

- 4.1 There are no specific financial or manpower implications for the purpose of this report.
- 4.2 **Chief Finance Officer's comments:** None for the purposes of this report.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 Legal implications can arise if key recommendations are not implemented.
- 5.2 **Monitoring Officer's comments:** None arising from the contents of this report.

6 Sustainability Policy and Community Safety Implications

- 6.1 None for the purposes of this report.

7 Partnerships

- 7.1 None for the purposes of this report.

8 Risk Assessment

- 8.1 Failure to track the progress of implementing recommendations could result in weaknesses in control and increased risks.

9 Conclusion and Recommendations

- 9.1 The Committee should note that reasonable progress has been made in implementing the recommendations. Those areas where progress is slower or where the recommendations have not been fully implemented, will continue to be monitored and reported to this Committee.

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Ward(s) Affected: (All Wards);