

<b>Committee(s):</b> Audit and Risk Management Committee – For Information	<b>Date(s):</b> 24/09/2019
<b>Subject:</b> Internal Audit Recommendations Follow-up	<b>Public</b>
<b>Report of:</b> Head of Audit and Risk Management	<b>For Information</b>
<b>Report author:</b> Matt Lock, Chamberlain’s Department	

### Summary

This report has been prepared to provide Members with a status update on the implementation of high priority Internal Audit Recommendations made. Overall, 59% of recommendations that fell due since the last update have been implemented within agreed timescales, 16% are partially implemented and 25% not yet implemented.

There are, including those that are not yet due, 10 Red and 123 Amber live recommendations.

### Recommendation(s)

Members are asked to:

- Note the report.

### Main Report

#### Background

1. The Audit and Risk Management Committee receives regular status updates on the implementation of high priority (Red and Amber) Internal Audit recommendations made. This report provides Members with the latest position, based upon information received from departments and Audit testing undertaken.

#### Current Position

2. Follow-up activity has recently been completed in respect of all live red and amber priority recommendations where their due date has passed. A summary of follow-up outcomes by department is shown at **Appendix 1** and demonstrates that implementation was confirmed for 59% of high priority recommendations, partial implementation was confirmed for 16%, and the remaining 25% had either not been progressed or evidence was not supplied to Internal Audit to demonstrate implementation progress. This compares to 48%, 23% and 29% respectively.
3. High priority recommendations due but not implemented or only partially implemented are summarised at **Appendix 2** and a comparison of revised target

dates to original agreed dates is shown where available. Departments have, in the main, provided explanations for non-implementation together with revised target dates: of the 41 outstanding recommendations, revised implementation dates are still required for 10. The appendix also identifies where revised target dates have previously been provided, i.e. where original target dates had not been met at first follow-up.

4. Including the 41 overdue recommendations, there were a total of 133 (10 Red and 123 Amber) live high priority recommendations as at 31 August 2019. A breakdown of the number of live recommendations by department is shown at **Appendix 3**.
5. The 10 live Red recommendations relate to the following:
  - City of London School – planning in relation to penetration testing of IT systems
  - City of London Freeman’s School – the need to undertake penetration testing of IT systems
  - City of London Freeman’s School – improving security over the use of USB drives/devices
  - City of London Police – regular reconciliation of Police bank accounts for prisoner and “found” funds
  - City of London Police – Improvements to the budget setting process
  - Community and Children’s Services – Establishing clearly defined roles and responsibilities for the sourcing and procuring placements for looked after children (young asylum seekers)
  - Community and Children’s Services – formalising contract arrangements for placements for young asylum seekers
  - Community and Children’s Services – ensuring that individual agreements are in place for placements for all young asylum seekers
  - Community and Children’s Services – value for money in relation to the use of semi-independent living providers (asylum seekers)
  - Community and Children’s Services – improved contract monitoring arrangements for providers of services to looked after asylum seekers
6. A further 4 Red recommendations have been raised in an audit review finalised since 31 August, this is the subject of a separate report on the Non-Public agenda for this Committee. These recommendations will be tracked in the subsequent implementation update report.

## **Conclusion**

7. Implementation progress has improved since the last report made, with 59% of high priority recommendations having been implemented in full by the agreed due date (compared to 48%). This improvement is attributed to more regular follow-up activity, with the support of the departmental Audit Liaison Officers.
8. Internal Audit work is ongoing to confirm revised implementation dates for those outstanding recommendations where no information was provided.

## **Appendices**

- Appendix 1 – Summary of Formal Follow-up Outcomes
- Appendix 2 – Analysis of Follow-up Recommendations Not Implemented
- Appendix 3 - Live High Priority Recommendations at the end of August 2019

## **Background Papers**

- Report to Audit and Risk Management Committee: Internal Audit Recommendations Follow-up (May 2019)

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