

Committee:	Date:
Audit & Risk Management Committee	8 November 2016
Subject: Internal Audit Recommendations Follow-up	Public
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Summary

This report provides an update on the outcome of a recent follow-up exercise focused on red and amber priority recommendations due for implementation by 30th September 2016.

As at mid-October 2016 there are is one overdue red priority action from reviews previously concluded and reported to this Committee. Internal Audit are liaising with the recommendation owner to agree a revised target date.

Audit testing has confirmed that 72% of amber priority recommendations were either fully implemented or superseded at the time of follow up, 8% were partially implemented, evidence of implementation is awaited in respect of 6% of cases and 14% of recommendations followed up had not been implemented. **Appendix 1** summarises the outcomes by department.

Where amber priority recommendations were outstanding at the time of audit follow-up, further updates have been sought from management to confirm timescales for resolution. Analysis of amber priority recommendations not implemented is shown at **Appendix 2**, including a comparison of original dates to revised target dates where these have been provided.

In addition to the 133 live amber recommendations which were originally due for implementation by 30th September 2016, there were 358 live green priority recommendations at this date. Follow up arrangements do not incorporate green priority recommendations and it is expected that management ensure that implementation is progressed appropriately.

Members are asked to:

- Note the recommendations follow-up report.

Main Report

Formal Audit Follow-ups

1. A corporate follow-up exercise has recently been completed in respect of all live red and amber priority recommendations due for implementation by 30th September 2016. Status updates were sought from recommendation owners and evidence was requested where Internal Audit were advised that issues had been addressed in full.
2. A summary of outcomes by department is set out in Appendix 1 and demonstrates for the follow-up period that:
 - Implementation was confirmed for 72% of amber priority recommendations
 - 8% of amber priority recommendations have been partially implemented
 - 14% of amber priority recommendations have not been implemented
 - Implementation evidence is awaited for 6% of recommendations followed up
 - Revised target dates have been agreed in a number of cases, including some partially implemented recommendations.
3. Recommendation owners are subject to challenge by Internal Audit where any slippage in implementation occurs; this is to ensure that revised timescales are only agreed in exceptional circumstances. There continues to be a strong focus on the agreement of realistic implementation dates when audit reviews are being finalised and it was noted from the current corporate follow up exercise that delays in implementation were largely due to staff turnover, resource restrictions or reliance on the progress of major projects. Revised target dates have been agreed for a number of amber priority recommendations which had not been implemented by the due date or had been only partially implemented. Liaison is ongoing with management to obtain evidence of implementation where not already received by Internal Audit.
4. Amber priority recommendations not implemented are summarised at Appendix 2. A comparison of revised target dates to original agreed dates is shown where available. One overdue red priority recommendation was confirmed in relation to the City of London Police and the formalisation of a strategy for all uniform spend. It was intended that supply be outsourced to a contract through the National (Police) Uniform managed service and initial meetings were held with the supplier with a view to completion by September 2016. Confirmation is awaited of a revised target date for implementation although it is understood that progression of these arrangements is not entirely within the control of the City of London Police. An update will be provided at the next meeting of this Committee.

Conclusion

5. There is a very high level of acceptance of internal audit recommendations and good communication with clients in respect of the progress of recommendations implementation. There is one overdue red priority recommendation as at mid October 2016 and Internal Audit are liaising with the recommendation owner to agree a revised target date.

6. The recent corporate follow-up exercise has confirmed the implementation of a large number of amber priority recommendations which were due for implementation by 30th September 2016. Revised target dates have been agreed with recommendation owners for many of the remaining live amber priority recommendations which were subject to follow up. Internal Audit work is ongoing to confirm the implementation of live amber priority recommendations and an update will be provided to this Committee in due course.

Appendices

- **Appendix 1 – Summary of formal follow up outcomes**
- **Appendix 2 – Analysis of recommendations not implemented**

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