Committee:	Date:
Audit & Risk Management Committee	10 October 2017
Subject: Internal Audit Recommendations Follow-up	**Public**
Report of: Chamberlain	**For Information**

Summary

Since the previous A&RMC meeting, Internal Audit has implemented a revised process for the monitoring of the implementation of recommendations, increasing the frequency of updates, accepting only evidenced recommendations as implemented, and reinforcing the expectation of implementation by agreed target dates.

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 31/08/17.

As at mid-September 2017 there are no overdue red priority actions from reviews previously concluded and reported to this Committee. There is one live red priority recommendation which is not yet due for implementation.

Audit testing has confirmed that 59% of high priority recommendations were fully implemented at the time of follow up, 25% were partially implemented, and recommendations had not been implemented in 16% of cases. **Appendix 1** summarises the outcomes by department.

Where high priority recommendations were outstanding in full or in part 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 fully implemented is shown at **Appendix 2**, Internal Audit will continue to liaise with recommendation owners to confirm timescales for implementation where these are not currently known.

Members are asked to:

- Note the recommendations follow-up report.

Main Report

Implementation of Recommendations - Revised Monitoring Process

1. Following concerns raised by members at the July 2017 A&RMC meeting, Internal Audit has implemented a revised process for the monitoring of the implementation of recommendations. The key changes are as follows:

- The frequency of updates has been increased from bi-annually to quarterly;

- The status of "implemented" will be allocated only to recommendations which have been evidenced as completed by Internal Audit, rather than advised by Management;

- Where evidence is not provided, the recommendation will be assessed as partially or not implemented and a revised target date will be agreed.

2. Management have been reminded that it is the A&RMCs view that there should only be one extension to Management's agreed implementation deadline and that it is expected that the action should be fully implemented by the revised deadline date. Any actions which are extended beyond the revised target date may be subject to A&RMC challenge and call in of Managers to provide an explanation for additional extensions.

Formal Audit Follow-ups

3. The corporate follow-up exercise has recently been completed in respect of all live red and amber priority recommendations due for implementation by 31/08/17. Status updates were sought from recommendation owners and evidence was requested of progress in implementation.

4. There were three red priority recommendations due for implementation by 31/08/17 and therefore within the scope of the follow-up exercise: IT Asset Management: hard-drive stockpiling, IT Network Infrastructure: security management, and IT Asset Management: disposal policy. Evidence has been provided to demonstrate full implementation of these recommendations.

5. 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, including the three red priority recommendations within scope
- 25% of high priority recommendations have been partially implemented
- 16% of high priority recommendations have not been implemented

6. Amber priority recommendations 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. Recommendation owners have been advised of revised follow-up arrangements and the need to provide evidence of full implementation in order for recommendations to be closed down. Internal Audit has also reiterated that revised timescales should be set only in exceptional circumstances.

7. There is one live red priority recommendation with a revised target date of 31/12/17. This Chamberlain's IT recommendation arose as part of the audit of Wi-Fi arrangements and the implementation action is linked to replacement of both the Guest (Open Mediated Wifi) and the Corporate Wi-Fi services. It is understood that additional security measures have been implemented to improve assurance of this service.

Conclusion

8. The recent corporate follow-up exercise has confirmed that there are no overdue red priority recommendations as at mid-September 2017 and there is only one live red priority recommendation not yet due for implementation. Follow-up testing determined that 59% of recommendations had been implemented in full, 25% had been partially implemented and 16% had not been implemented at this time. Internal Audit work is ongoing to confirm revised target dates for full implementation where these have not been supplied by recommendation owners, reiterating that these should be extended only in exceptional circumstances.

Appendices

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

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