**AUDIT COMMITTEE – 28 JUNE 2016**

**PART I – DELEGATED**

**10. Internal Audit RECOMMENDATIONS**

(DoF)

1. **Summary**

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

2. **Details**

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

2.2 The Head of Assurance for Internal Audit has provided an opinion on the adequacy and effectiveness of the Council’s control environment, broken down between financial and non-financial systems. There are no qualifications to this assurance.

2.3 Under Public Sector Internal Audit Standards, it is the role of the Audit Committee to seek assurance that there are no inappropriate limitations on the scope or resources of internal audit. Paragraph 2.4 of the Annual Report gives this assurance from an internal audit viewpoint and this is confirmed as being the case by the Council’s Section 151 Officer (the Director of Finance) on behalf of management.

2.4 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:

1. Network Infrastructure (2009/10)
2. IT Remote Working (2010/11)
3. IT Project Management (2011/12)
4. IT Back-up and Disaster Recovery (2011/12)
5. Server Virtualisation (2012/13)
6. 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landscape, we have determined that many of the previous comments and actions, while sound in principle, are now largely out of date and /or no longer relevant.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.

3. **Options/Reasons for Recommendation**

3.1 The recommendation allows members to note the contents of the Internal Auditors’ recommendations.

4. **Policy/Budget Implications**

4.1 The recommendations in this report are within the Council’s agreed policy and budgets.

5. **Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, and Customer Services Centre, Website and Risk Management Implications**

5.1 None specific.

6. **Recommendation**

6.1 That the Committee notes the Internal Audit progress report against the 2015/16 audit plan (now complete).

6.2 Approve amendments to the audit plan as at June 2016.

6.3 Agree the removal of the implemented recommendations.

6.4 Agree the changes to the implementation date for 11 recommendations for the reasons set out in Appendix 1

 **Background Papers**  None

 Report prepared by:

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 **APPENDICES / ATTACHMENTS**

 Appendix 1 Progress against Internal Audit Plan.

 Appendix 2 Audit Plan 2016/17 Start Dates