

## INTERNAL AUDIT FOLLOUP

### Background

1. Where weaknesses in systems are found by internal audit, the auditors discuss and agree a set of actions to address the problem with the responsible manager. The agreed actions include target dates for issues to be dealt with. The auditors then carry out follow up work to check that the issue has been resolved once these target dates are reached. The follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary. Where managers have not taken the action they agreed to, issues are escalated to more senior managers, and ultimately may be referred to the Audit and Governance Committee.

### Follow up of internal audit agreed actions

2. A total of 102 actions have been followed up since the last report to the Audit and Governance committee in September 2014. A summary of the priority of these actions is included in figure 1, below.

*Figure 1: actions followed up as part of the current review*

Priority of actions*	Number of actions followed up
1	0
2	27
3	75
<b>Total</b>	<b>102</b>

\* The priorities run from 1 (high risk issue) to 3 (lower risk)

3. Figure 2 below provides an analysis of the actions which have been followed up, by directorate.

*Figure 2: actions followed up by directorate*

Priority of actions	Number of actions followed up by directorate					
	OCE	CES	CANS	CSES	ASS	CBSS
1 (High)	0	0	0	0	0	0
2 (Medium)	0	3	9	5	0	8
3 (Low)	0	0	9	52	7	9
<b>Total</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>57</b>	<b>7</b>	<b>17</b>

4. Of the 102 agreed actions 86 (84.3%) had been satisfactorily implemented and 4 (3.9%) were no longer needed<sup>1</sup>.
5. In a further 12 cases (11.8%) the action had not been implemented by the target date, but a revised date was agreed. This is done where the delay in addressing an issue will not lead to unacceptable exposure to risk and where, for example, the delays are unavoidable (eg due to unexpected difficulties or where actions are dependent on new systems being implemented). These actions will be followed up after the revised target date and if necessary they will be raised with senior managers in accordance with the escalation procedure. Figure 3 below shows the priority of these actions.

*Figure 3: priorities of actions with revised implementation dates*

Priority of actions	Number of actions with a revised implementation date
1 (High)	0
2 (Medium)	3
3 (Low)	9
<b>Total</b>	<b>12</b>

## Conclusions

6. The follow up testing undertaken confirms that in general good progress has been made by council departments to rectify weaknesses in control identified through internal audit work. This is an ongoing process and progress in implementing agreed actions will continue to be monitored and reported as required through the

<sup>1</sup> For example because of other changes to procedures or because the service has ended or changed significantly.

escalation procedure. There are no specific issues that need to be brought to the attention of the Audit and Governance Committee at this time.