



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 13 DECEMBER 2018

SUBJECT: INTERNAL AUDIT REPORTS – FOLLOW UP PROTOCOL

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

- 1.1 To address the request made at the last meeting of the Moray Integration Joint Board (MIJB) Audit, Performance and Risk Committee on 27 September 2018 for a follow up protocol to be drafted, covering oversight and monitoring of the implementation of audit recommendations agreed by management. (Para 9 of the draft Minute refers)

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and agrees the ‘follow – up’ protocol for ensuring the effective implementation of internal audit recommendations.**

3. BACKGROUND

- 3.1 Public Sector Internal Audit Standards require the Chief Internal Auditor ‘to establish and maintain a system to monitor the disposition of results communicated to management’. In practical terms this means that internal audit must establish a follow up process to monitor and ensure that management actions (responses to audit recommendations) have been effectively implemented or that management has accepted the risk of not taking action.
- 3.2 The audit action plan prepared to accompany each audit report issued provides information on the recommendations made, the responses from management and the timescales in which the recommendations shall be implemented.
- 3.3 The implementation of the recommendations is for management, and it is for management to determine whether or not to report on progress being made on addressing audit points or the consequences thereof to this Committee. It

is expected that such reporting would be by exception should any issues arise, or it is agreed that Committee would benefit from regular updates on the progress undertaken around the implementation of particular recommendations.

- 3.4 The Chief Internal Auditor will depending on workloads, report to this Committee on follow up work undertaken ordinarily after the last date for implementation of the agreed recommendations has passed. Such reporting will detail where evidence confirms recommendations have been implemented, and also instances where the implementation has not proved possible within the agreed timescale.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 In securing good governance and ensuring recommendations arising from internal audits are implemented effectively an audit follow up process is required.
- 4.2 Establishment of this protocol also is good practice in terms of demonstrating compliance with the Public Sector Internal Audit Standards.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

No issues to report.

(b) Policy and Legal

An effective audit follow up process supports good governance and use of audit resources.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications and Mitigation

Following up audit recommendations mitigates the risk that any improvements to the internal control environment arising from the audits will be lost.

(e) Staffing Implications

None arising from this report.

(f) Property

None arising from this report.

(g) Equalities/Socio Economic Impact

None arising from this report.

(h) Consultations

Consultations have taken place with Tracey Abdy, Chief Financial Officer, whose comments have been incorporated within the report.

6. CONCLUSION

6.1 The Committee is asked to consider and agree the procedure for following up the implementation of recommendations contained within internal audit reports.

Author of Report: Atholl Scott
Background Papers: Public Sector Internal Audit Standards
Ref: IJB/aprc/131218