

Appendix A

REPORT TO CORPORATE GOVERNANCE & AUDIT COMMITTEE

RISK SERVICES- INTERNAL AUDIT

PROGRESS WITH IMPLEMENTING AUDIT RECOMMENDATIONS

At the conclusion of each audit recommendations are made where necessary to improve the control environment and /or manage the level of risk involved. The classification and number of agreed recommendations determine the audit opinion on control adequacy and effectiveness. Recommendations are classified threefold as follows:

Fundamental –

A recommendation, often requiring immediate action that is key to maintaining an appropriate control environment and thereby avoiding exposure to a significant risk to the achievement of the objectives of the system, process or location under review. Any single fundamental recommendation necessarily leads to a Limited Assurance opinion.

Significant –

A recommendation requiring action that is necessary to improve the control environment and thereby avoid exposure to a risk to the achievement of the objectives of the system, process or location under review. More than 4 significant recommendations lead to a Limited Assurance opinion.

Merits Attention –

A recommendation where action is advised to enhance control or improve operational efficiency.

Service Directors / Heads of Service are asked to agree recommendations contained within an Action Plan and identify an owner to oversee implementation by a specific date.

To date, assurance that this has happened has been obtained from follow up audits arising from any audit resulting in a Limited Assurance opinion; updates on recommendations made in other audits typically have had to wait for the next cyclical audit. A greater focus on the overall position has been driven more recently by the requirements of the revised internal audit professional standards that will apply from April 2025

and further development of the corporate risk management process, whereby implementation of agreed audit recommendations, especially key ones, is a very important part of managing down the residual degree of risk in a system, process or activity.

This report is for Corporate Governance & Audit Committee at their meeting on 20th February 2025.

Report tables that follow overleaf show:

- Progress on implementation of recommendations by Directorate, in a tabular form.
- Narrative information about those areas where fundamental or significant recommendations have not yet been implemented.

Note that recommendations that were agreed for implementation later than 30th September 2024 are not included in this table and outcomes will be updated in the next quarterly report.

Status of all Key Recommendations agreed in the 18 months from 1st April 2023 and due to be completed by 30th September 2024

	Fundamental				Significant			
<u>Directorate</u>	Completion Due	Complete	Partially Complete	No action	Completion Due	Complete	Partially Complete	No action
Adults & Health	1	1	0	0	14	14	0	0
Children & Families	1	1	0	0	12	7	5	0
Public Health & Corporate	2	1	1	0	53	28	25	0
Place	7	7	0	0	57	31	23	3
Total	11	10	1	0	136	80	53	3
% Total		91	9	0		59	39	2

91% of Fundamental recommendations have been implemented in full (based upon small numbers), whereas **59% of Significant** ones have been.

Incomplete Recommendations – Further Detail

Children & Families

The partial completed significant recommendations relate to the following audits:

Regional Adoption Agency – A lot of progress has been made since the audit that was initially given a limited assurance opinion. One significant recommendation is outstanding but has been partially completed. This relates to contract management. Whilst there have been improvements of the KMC director in liaison and management, the collection of data and tracking by Commissioning on agency performing as per the contract does not currently take place.

School Exclusions – There are 4 significant recommendations that are partially completed however there has been a large amount of change in how the team operates. This also was originally given a limited assurance opinion but is now adequate assurance. The recommendations that are outstanding relate to improvements in contract management and data collection, dissemination and analysis as well as a need for a review of the Fair Access Panel. Arrangements for this review have started but had not concluded at the time of the follow up.

Adults

Although the table does suggest complete achievement, there has been some agreed reassessment on time frames, meaning that certain matters that would otherwise be identified as not being achieved are omitted.

Public Health & Corporate / Place

There is no discernible pattern in those significant recommendations that have been only partially completed, as they are spread across several audits in various Services, other than that resource limitations and competing management priorities have prevented full compliance thus far.

In the small number of cases where no action has been taken, these relate to process changes awaiting the implementation of CX in Homes & Neighbourhoods, and resource prioritisation in Environmental Strategy.

Managers will be asked to revise the Action Plans with outstanding recommendations and a revised completion date will be agreed to enable future monitoring and reporting.