Midlothian Integration Joint Board

Thursday 6 December 2018, 1.00 pm

Internal Audit Recommendations Progress Report

Item number:	**5.1**

Executive summary

This report details the MIJB's reported performance in addressing and closing the issues and recommendations raised by Internal Audit.

Of the 57 recommendations raised since the inception of the MIJB, 49 (86%) are recorded as complete, 2 (4%) have not yet reached their due date, and 6 (10%) were identified as being overdue. After reviewing all the recommendations, MIJB Management have established revised target dates for the 6 overdue recommendations.

The MIJB Audit and Risk Committee is asked to:

- *note the content of this report;*
- *approve the revised implementation dates as shown in Appendix 1; and*
- *note that Internal Audit will continue to monitor for completion of the outstanding recommendations and will provide updates to the MIJB Audit and Risk Committee.*

Report

Internal Audit Recommendations Progress Report

1 Purpose

1.1 The purpose of this report is to:

- inform the MIJB Audit and Risk Committee of the number of recommendations raised by Internal Audit;
- note the MIJB Management's reported performance in addressing these issues by the agreed implementation; and
- highlight the main governance and financial risks where recommendations are found to be outstanding.

2 Recommendations

2.1 The MIJB Audit and Risk Committee is asked to:

- note the content of this report;
- approve the revised implementation dates as shown in Appendix 1; and
- note that Internal Audit will continue to monitor for completion of the outstanding recommendations and will provide updates to the MIJB Audit and Risk Committee.

3 Background and main report

3.1 Internal Audit suggests recommendations for improving internal control and to assist the MIJB deliver against its objectives and best value. When MIJB Management and the Audit and Risk Committee agree these recommendations, the issues are updated to Pentana (Midlothian Council's performance management system) along with a date by which MIJB Management should have completed the agreed action.

3.2 Each year, Internal Audit undertakes two follow up reviews on recommendations raised. The first reports on the progress Management have made in completing and closing the recommendations by the expected date (which is the subject of this report). The second samples recommendations which have been reported as complete and reviews the adequacy of the actions taken. The latter review will be undertaken in April / May 2019.

4 Policy Implications

4.1 Of the 57 recommendations raised since the inception of the MIJB, 49 (86%) are recorded as complete, 2 (4%) have not yet reached their due date, and 6 (10%) were identified as being overdue. After reviewing all the recommendations, Management have established revised target dates for the 6 overdue recommendations.

4.2 In the prior year, it was identified that out of the 53 recommendations raised at the time, 5 (10%) were overdue. There have been 4 additional recommendations raised since the previous Audit recommendations progress report was reviewed. The number of completed recommendations is 9% higher than the prior year which indicates performance has improved. Management have advised that the target dates need to be revised due to the preparation of the 2019-22 Strategic Plan and complexities involved in addressing the risks.

4.3 A summary is attached at Appendix 1 which details the progress made by Management on overdue recommendations and includes the revised target dates requested by management. Appendix 2 details the 'in progress' recommendations which have not yet reached their due date.

5 Equalities Implications

5.1 There are no equalities implications.

6 Resource Implications

6.1 There are no direct resource implications arising from the report

7 Risk

7.1 The recommendations made by Internal Audit are directly related to reducing the level of risk that the MIJB is exposed to. These recommendations were raised to reduce governance, financial, reputational and strategic risks.

8 Involving people

8.1 The Report has been discussed with the MIJB's Chief Officer, Chief Finance Officer and the Integration Manager.

9 Background Papers

9.1 Appendix 1 lists the outstanding recommendations and the latest notes by Management against each recommendation together with revised proposed implementation dates. Appendix 2 lists the recommendations which are 'in progress' which have not yet reached their due date.

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