

HIGHLAND COUNCIL

Committee: Audit & Scrutiny Committee

Date: 23rd November 2017

Report Title: **Action Tracking Report**

Report By: Corporate Audit Manager

1. Purpose/Executive Summary

- 1.1 The Public Sector Internal Audit Standards (the standards) requires the Chief Audit Executive to establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. Details of this process called action tracking, is provided at section 3 of this report.
- 1.2 The outcome of this process is reported to the Audit & Scrutiny Committee on a six-monthly basis. This report covers the period from 01/06/17 to 30/10/17.

2. Recommendations

- 2.1 The Committee is invited to note the action tracking information provided.

3. Action Tracking Process

3.1 The action tracking process operates as follows:

- (1) Audit reports contain an action plan which details the areas of concern; management agreed action; target date for implementation; and the title of the Officer responsible for implementation.
- (2) Once all of the target dates in the action plan have passed, these are action tracked. This involves contacting the appropriate Manager(s) to confirm that their actions have been implemented.
- (3) Where the agreed management action has not been undertaken, an explanation is requested. However, if this response is considered to be unsatisfactory, it is subject to further audit enquiry and/ or investigation. Where delays have occurred and the reason for these are considered reasonable then a revised implementation date is agreed and this is action tracked once this date has expired.

3.2 Where an audit is undertaken on an annual basis such as the Leader Programme and Compliance with the Carbon Reduction Commitment Energy Efficiency Scheme, the management agreed actions are followed up as part of the following's year's audit work. Any outstanding recommendations are carried forward into the following year's report.

4. Action Tracking/ Follow-up results

4.1 Summary

The report attached as **Appendix 1** provides a summary of all audit reports issued which have been subject to the action tracking/ follow-up process outlined above. There are a limited number of audits which had actions due during this report period but this shows that a total of 30 audit recommendations were made of which:

- 29 actions have been satisfactorily implemented.
- 1 action was made redundant. This was a high grade action relating to several gaps identified in debtor invoice numbers. This has been investigated and identified as a system issue which occurs if an invoice is being prepared and there is a network failure then this will be lost but the number cannot be recreated. No technical solutions to this problem can be provided so this has been made redundant.

5. Implications

5.1 Resource – any resource implications arising from audit actions should be addressed by the relevant Services and where required, will be reported to Committee.

Legal; Community (Equality, Poverty and Rural); Climate Change/Carbon Clever; Gaelic – none.

Risk – The implementation of the management agreed actions will assist in reducing the risk exposure to the Council.

Designation: Corporate Audit Manager

Date: 13th November 2017

Author: Donna Sutherland

Background Papers:

Action Tracking Report - Highland Council Completed Actions

Report Ref and Name	Final Issued	Number of Recommendations	Number				Comments
			Cleared	Date Revised	No Action	Outstanding	
HBA01/006.bf - Third Party Arrangements in relation to Information Security	20/06/16	5	5	0	0	0	
HDB06/001.bf - Debtors	08/09/16	12	11	0	1	0	
HED02/004 - Review of the process for the management of the Renewable Heat Incentive (RHI) scheme income	19/09/16	3	3	0	0	0	Follow-up report provided as a separate agenda item.
HDB08/001.bf.bf - Review of Personnel Recruitment Process	20/09/16	5	5	0	0	0	
HBD01/003.bf - Transformation Savings Programme Projects	20/02/17	5	5	0	0	0	
Totals		30	29	0	1	0	