

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 26th July 2017

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WARD(S): All

PART I **FOR COMMENT AND CONSIDERATION**

AUDIT & RISK MANAGEMENT UPDATE – QUARTER 1 2017-2018

1 Purpose of Report

The purpose of this report is to:

- Report to Members on the progress of finalising draft Internal Audit reports
- Report to Members on the progress of the implementation of Internal Audit recommendations
- Report to Members the Council's Risk Register
- Report to Members the Council's latest counter-fraud activity

2 Recommendation(s)/Proposed Action

That Audit & Risk Committee is requested to comment on and note the reports.

3 Sustainable Community Strategy Priorities

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the emerging Community Strategy Priorities

Priorities:

- Economy and Skills
- Health and Wellbeing
- Regeneration and Environment
- Housing
- Safer Communities

4 Other Implications

4.1 Financial

None other than those detailed in the internal audit reports

4.2 Risk Management

This report concerns risk management across the Council

4.3 Human Rights Act and Other Legal Implications

n/a

4.4 Equalities Impact Assessment

There is no identified need for an EIA

5 Supporting Information

5.1 Finalising Internal Audit Reports

5.1.1 The table below shows those Internal Audits that remain in draft and are yet to be finalised as at 14th June 2017

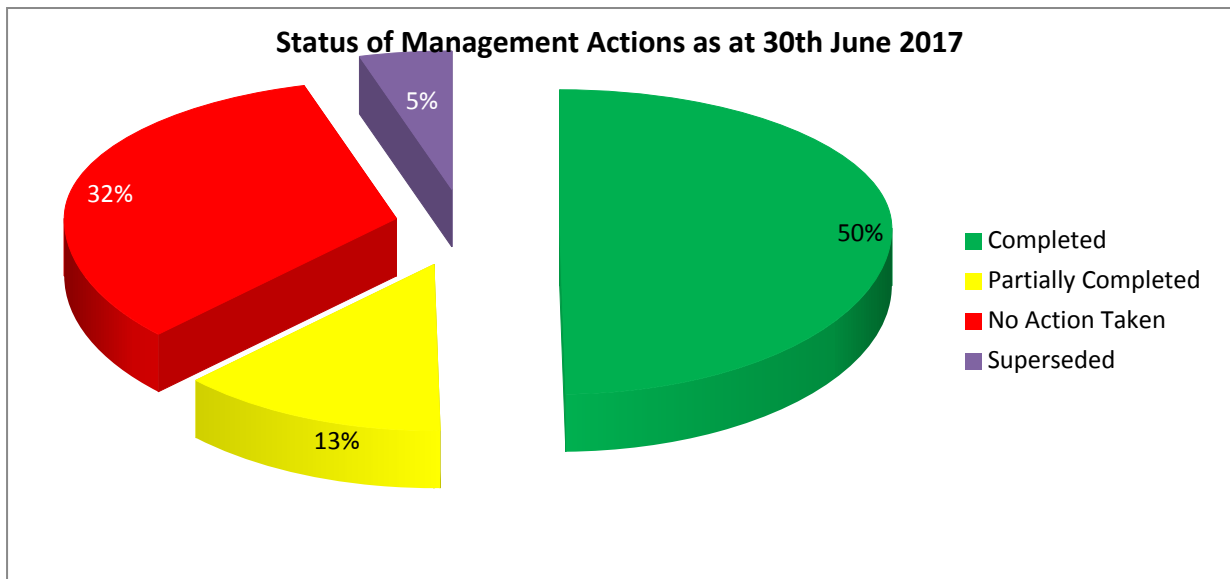
Audit	Audit Plan Year	Audit Sponsor	Assurance Level	Date to be Finalised by	Comments
Debtors Management	16/17	Neil Wilcox	Partial Assurance	16 th July 2017	To be finalised w/c 17 th July
Follow-Up	16/17	Neil Wilcox	N/A	4 th June 2017	To be finalised w/c 17 rd July
Follow-Up Financial Controls	16/17	Neil Wilcox	N/A	1 st April 2017	To be finalised w/c 17 rd July
Management of Housing Stock	17/18	Mike England	Partial Assurance	7 th July 2017	
Payroll	16/17	Neil Wilcox	Reasonable Assurance	28 th April 2017	To be finalised w/c 3 rd July

5.2 Monitoring Management Actions

5.2.1 The Risk and Insurance Officer regularly monitors the progress of the implementation of “high” or “medium” recommendations made following Internal Audit reports. Below is a graph that shows the percentage of recommendations that have either been implemented, are in progress, no action has been taken, or the recommendation has been superseded.

5.2.2 Attached at Appendix 1 is a table of Internal Audit from the 2015/16 and 2016/17 Audit Plans where actions are overdue or have been completed within since the last Governance report.

5.2.3 The number of implemented recommendations has decreased to 50%, down on the 58% report at the previous Audit and Corporate Governance committee.



5.3 Corporate Risk Register

- 5.3.1 It was decided that the current Risk Management system does provide the quality of presentation that is required. It has therefore been decided that the Council will purchase the Risk Management system from RSM, who will provide a bespoke system for Slough Borough Council.
- 5.3.2 The reports and outputs from the existing system are difficult to follow and are visually unappealing.
- 5.3.3 The introduction of this new system has provided the impetus to refresh the Corporate Risk Register. RSM will be assisting in this refresh project and will be submitting a scope in the very near future, which will be circulated to CMT at the earliest opportunity. It is hoped to have the Corporate Risk Register updated by 1st September.

5.4 Fraud update

- 5.4.1 Since April the Corporate Fraud Team (CFT) has dealt with 166 enquiries from a variety of sources including:
- Police,
 - Immigration,
 - Social Services
 - Other Local Authorities, and
 - Members of the Public

The Council has identified that assessing these inquiries reduces the capacity of the CFT to investigate fraud. Therefore we have appointed an Intelligence /Support Officer who will be the first point of contact for the CFT.

5.4.2 The CFT has opened new 23 cases since 1st April 2017 for Investigation. It is anticipated that with the Intelligence Officer in place more cases will be opened in the second half of the year.

5.4.3 The Corporate Fraud Team are also currently investigating nine Proceeds of Crime cases. The sources of these investigations are as follows:

3 Trading Standards
2 Planning
2 CFT
1 Housing,
1 case for Oxford City Council.

5.4.4 Appendix 2 details the 2017/18 Q1 results of the Corporate Fraud Team from 1st April 2017.

6 Conclusion

That the Committee review and comment on details of the Audit and Risk Management Update Quarter 1 2017/18.

7 Appendices Attached

Appendix 1 – Status of Internal Audit Management Actions
Appendix 2 – Corporate Fraud Team – 2017/18 Q1 Results

8 Background Papers

None.