

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Corporate Governance Committee  
**DATE:** 30<sup>th</sup> September 2021

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**WARD(S):** All

### **PART I**

## **FOR COMMENT & CONSIDERATION**

### **INTERNAL AUDIT UPDATE – QUARTER 2 2021/22**

#### **1 Purpose of Report**

The purpose of this report is to Report to the Audit and Corporate Governance committee on the progress of the implementation of internal audit management actions

#### **2 Recommendations**

This report recommends that the Audit and Corporate Governance Committee notes the improvements to the outstanding actions and comments on the report.

#### **3a The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan Slough Joint Wellbeing 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

#### **3b. Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

#### **4. Other Implications**

##### **(a) Financial**

There are no direct financial implications of the updates on the actions but resolution of the queries/issues will improve the Council's processes which underpins sound financial management, by way of example the Council's accounts and budget

(b) Risk Management

<b>Risk</b>	<b>RAG Before Mitigation</b>	<b>Mitigation</b>	<b>RAG After Mitigation</b>
Failure to follow up on internal audit recommendation exposes the Council to risk across a wide variety of services	Red	Pro active officer risk and audit board  Pro active management of internal audit  Pro active management of responses to audit recommendations	Red/Amber (currently, work over the coming months will improve this to Green)

(c) Legal Implications: There are no direct legal implications in this report.

(d) Equalities Implications: There are no identified equalities implications in this report.

5. **Supporting Information**

5.1 **Improvements to Internal Audit processes**

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives. The Council has therefore been undertaking the following activities over the last three months to improve the Internal Audit function:

5.1.1 **Finalisation of 2020/21 Audits**

- All Internal Audit reports from 2020/21 have been finalised, which includes actions owners and target dates being assigned to all Internal Audit reports for that year.
- Action owners have been reviewed by the Internal Audit Manager and Group Manager – Commercial to ensure they are current, and do not include names of individuals who have left the authority.
- Executive board were kept informed of progress in finalising audits on a weekly basis and priority has been given to those reports with a negative opinion.

5.1.2 **Completion of Internal Audit actions**

- The actions have been included in the action tracker and the data cleansed to
  - Ensure actions are assigned to current officers and not to owners who have left the authority
  - Removed actions related to follow up audits which repeat actions already on the tracker
  - Removed duplicate actions from multiple financial years to improve clarity on actions that need addressing
  - Assigned achievable deadline dates, where agreement of these is in progress they have been marked as “TBC”
  - There is now a comprehensive position of all actions on the plan.
  
- Actions have been added to the overarching plan and are being monitored by
  - Obtaining updates from Action Owners including getting realistic target dates for actions overdue
  - Frequent liaison with Executive Directors and Associate Directors
  - Liaison with schools in collaboration with the Group Manager for Schools effectiveness
  
- Evidence of actions completed is being obtained and quality assured by Group Manager Commercial.

In order to ensure that we can track progress against realistic target dates officers have at an officer level reviewed the target dates and rather than report against unrealistic dates going forward reviewed these.

It should be noted that this work is in its first stages and will be refined for the December meeting of the Committee and will also then include a full analysis against the original dates also

Using that metric, the position is that 65 outstanding actions have been completed and the position on the other issues is shown below and is shown in detail in the appendix

**2021/22**

<b>Current Status</b>	<b>Total Actions</b>	<b>High Actions</b>	<b>Medium Actions</b>
Not Due	43	9	34
Overdue	0	0	0
TBC	9	2	7
<b>Total</b>	<b>52</b>	<b>11</b>	<b>41</b>

**2020/21**

<b>Current Status</b>	<b>Total Actions</b>	<b>High Actions</b>	<b>Medium Actions</b>
Not Due	27	2	25
Overdue	17	0	17

TBC	4	0	4
<b>Total</b>	<b>48</b>	<b>2</b>	<b>46</b>

### 2016/17 to 2019/20

Current Status	Total Actions	High Actions	Medium Actions
Not Due	1	0	1
Overdue	13	4	9
TBC	0	0	0
<b>Total</b>	<b>14</b>	<b>4</b>	<b>10</b>

### 5.1.3 Governance

- The Council's officer risk and audit board has been re-invigorated to ensure that it monitors outstanding Internal Audit actions and has representation across Directorates
  - Terms of Reference have been reviewed to ensure that Internal Audit monitoring is a core function of the board.
  - Membership has been reviewed to ensure that it includes Associate Directors and Subject Matter experts that can advise the board accordingly.
  - Meetings will be held on a monthly basis.

### 5.1.4 Internal Audit Plan 2021/22

- A revised 2021/22 Internal Audit Plan was approved by the Audit and Corporate Governance Committee on 29th July.
- Leads have been identified and dates of Audits planned.
- 35 Audits will be undertaken in this financial year including 4 quarterly follow up audits.

### 5.1.5 Completed Audits 2021/22

- To date six audits have been completed and four have been finalised.
- There is a target of finalising audits within two week's of the draft being issued, Internal Audit have been asked to be part of the process of finalisation of the audits due to the criticality of identification of appropriate owners and deadlines to actions assigned.

## 5.2 Monitoring Management Actions

- 5.2.1 The progress of the implementation of all management actions made is regularly monitored. When actions are confirmed as complete this is validated

by the Group Manager – Commercial and will be validated by RSM as part of their follow up reviews.

5.2.2 The officer risk and audit board have put in place a process where outstanding actions will be regularly reviewed and scrutinised. Audits where there is no or a partial assurance will be prioritised, and progress will be reported back to this committee.

5.2.3 On a quarterly basis RSM the Council's Internal Auditors conduct a follow up audit to review progress made by the Council to implement the previously agreed management actions. The actions covered are where Council staff have confirmed that the actions have been implemented, and the RSM work involves obtaining supporting evidence to confirm implementation.

5.2.4 Attached at Appendix 1 is a list of the 'medium' and 'high' management actions that are classified as still open against the new target dates and remain outstanding past the target date.

6. **Comments of Other Committees**

There are no comments from other Committees

7. **Conclusion**

Members note the reports

8. **Appendices Attached**

Appendix 1 Details of outstanding Medium and High agreed management actions

9. **Background Papers**

None