

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Corporate Governance Committee

**DATE:** 1<sup>st</sup> March 2022

**CONTACT OFFICER:** Steven Mair, Director of Finance/Section 151 Officer  
**(For all Enquiries)** (01753) 875368

**WARD(S):** All

### **PART I** **FOR COMMENT & CONSIDERATION**

#### **INTERNAL AUDIT UPDATE – QUARTER 4 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 ongoing 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 Strategic 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 indicates poor governance and potentially exposes the Council to a wide variety of risks.	Red	Pro active officer risk and audit board meets monthly.  Pro active management of internal audit  Pro active management of responses to audit recommendations  Additional short term support being engaged to strengthen the process even further.	Red/Amber (currently, work over the coming months will improve this to Green)

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

(d) Equalities Impact Assessment

There is no identified need for an EIA

**5. Supporting Information**

**5.1 Improvements to the monitoring and completion of internal audit actions.**

The Council's response to agreed internal audit actions should lead to the strengthening of internal controls and the control environment. In turn this should contribute to the achievement of the organisation's objectives and assist the Council in managing its risks. Officers have strengthened the arrangements for monitoring and verifying completion of audit actions and since the last committee meeting have focused attention on:

### 5.1.1 Finalising 2021/22 Audits

**There are 34 internal audit projects planned for 2021/22.**

- To date 14 internal audit reports have been finalised this financial year.
- Council officers are working with internal audit to ensure that reports are finalised within two weeks of issuing the draft report.
- 123 new recommendations have been made in 2021/22 reports. 41 have been completed, 59 actions are not yet due and 23 are overdue. 58 actions are not due until March 2022 or later in the year.
- Officers continue to have regular dialogue with Internal Audit regarding the content and scope of these audits. Any changes to the plan will be shared with the Committee.

### 5.1.2 Completion of Internal Audit actions

- All internal audit actions have been reviewed, including actions that a deemed not relevant due to changes in circumstances. Actions from previous year's audits are also reviewed to ensure they are more relevant to the service area.
- Progress is being made closing actions on the tracker. Evidence of actions completed is obtained and quality assured by group manager commercial, and, retained for use in follow up audits.
- The tracker has been improved to ensure that further analysis of actions by directorate and service area can be done, and these have been sent to executive directors.
- Meetings have been held with action owners to obtain updates on the status of outstanding actions, including a detailed review of actions in the place and community directorate and actions associated with business continuity and emergency planning.

5.1.3 The status of audits for the **previous financial years** is as follows:

Totals	Total	High	Medium	Low
Not Due	17	1	13	3
Overdue	63	2	31	30
Complete*	195	25	82	88
<b>Total</b>	<b>275</b>	<b>28</b>	<b>126</b>	<b>121</b>

\*includes actions that are no longer relevant or closed as duplicates

- Progress has been made in closing down management actions from previous financial years. There are now 195 actions or 70 per cent completed from a total of 275 actions.
- There has been an improvement in this position since the last report to the committee, completed actions have increased from 150 to 195 actions.

5.1.4 The status of audits for the **current financial year 2021/22** is as follows:

Totals	Total	High	Medium	Low
Not Due	59	17	22	20
Overdue	22	1	12	9
Complete*	42	3	17	22
<b>Total</b>	<b>123</b>	<b>21</b>	<b>51</b>	<b>51</b>

\*includes actions that are no longer relevant or closed as duplicates

- There are now 42 actions or 34 per cent completed from a total of 123 actions, note 47 per cent of actions are not yet due for completion.
- The number of management actions has increased in the current financial year as audits are finalised.

5.1.5 The **overall position** as at 15<sup>th</sup> February 2022 is as follows:

Totals	Total	High	Medium	Low
Not Due	76	18	35	23
Overdue	85	3	43	39
Complete*	237	28	99	110
<b>Total</b>	<b>398</b>	<b>49</b>	<b>177</b>	<b>172</b>

\*includes actions that are no longer relevant or closed as duplicates

- There are now 237 actions or 59 per cent (including 23 actions deemed to be no longer relevant or duplicated) completed from a total of 398 recommendations due for completion.
- The number of completed actions has increased since the December meeting from 179 to 237.
- 57 per cent of high risk actions due have been completed and 55 per cent of medium risk actions due have been completed. In addition, 63 per cent of low risk actions due have also been completed.

## 5.2 **Governance and monitoring of management actions**

- Outstanding internal audit actions are being actively monitored on a regular basis including reporting into corporate leadership team.
- Attached at Appendix A is a list of all outstanding management actions broken down by directorate and service area.

## 6. **Comments of Other Committees**

There are no comments from other Committees

## 7. **Conclusion**

Members note the report.

8. **Appendices Attached**

Appendix 1 – Details of all high and medium outstanding agreed management actions by directorate

9. **Background Papers**

None