

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit and Corporate Governance Committee

DATE: 28th July 2022

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WARD(S): All

PART I FOR COMMENT & CONSIDERATION

INTERNAL AUDIT ACTION TRACKING REPORT - QUARTER 1 2022/23

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.

3. **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

Risk	RAG Before Mitigation	Mitigation	RAG After Mitigation
Failure to follow up on internal audit recommendation indicates poor governance and potentially exposes the	Red	Pro active officer risk and audit board meets monthly. Pro active management of internal audit	Red/Amber (currently, work over the coming months will improve this to Green)

Council to a wide variety of risks.		Pro active management of responses to audit recommendations Additional short term support being engaged to strengthen the process even further.	
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(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

4. **Supporting Information**

4.1. **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:

4.1.1. **Internal Audit Plan 2022/23**

The internal audit plan 22/23 will be presented to the July committee. It is agile to reflect changes in circumstances, including plans develop an in house internal audit function.

4.1.2. **Finalising 2021/22 Audits**

There were 34 internal audit projects planned for 2021/22.

- To date 18 internal audit reports have been finalised the last financial year.
- 165 new recommendations have been made in 2021/22 reports, 33 are High, 76 are medium and 56 are low. 66 have been completed, 49 actions are not yet due and 50 are overdue.
- 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.

4.1.3. Completion of Internal Audit actions

- All internal audit actions have been reviewed by actions owners and executive directors, 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.
- Business Continuity and Emergency Planning actions have been extensively reviewed by a new team in place to implement the actions.
- 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.
- High rated actions are being given priority and are reviewed monthly by the council's finance board.

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

Totals	Total	High	Medium	Low
Not Due	3	0	3	0
Overdue	60	0	31	29
Complete*	213	28	93	92
Total	276	28	127	121

*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 213 actions or 77 per cent completed from a total of 276 actions.
- There has been an improvement in this position since the last report to the committee, completed actions have increased from 205 to 213 actions.
- No high rated actions are outstanding.

4.1.5. The status of audits for the **last financial year 2021/22** is as follows:

Totals	Total	High	Medium	Low
Not Due	28	6	15	7
Overdue	59	16	27	16
Complete	78*	11	34	33*
Total	165	33	76	56

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

- There are now 78 actions or 47 per cent completed from a total of 165 actions, note 16 per cent of actions are not yet due for completion.
- The number of management actions has increased from 140 to 165 in the last financial year as audits are finalised.
- There has been an improvement in this position since the last report to the committee, completed actions have increased from 52 to 78 actions.

4.1.6. The overall position as at 7th July 2022 is as follows:

Totals	Total	High	Medium	Low
Not Due	33	6	18	7
Overdue	119	16	58	45
Complete*	291	39	127	125
Total	441	61	203	177

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

- There are now 291 actions or 65 per cent (including 26 actions deemed to be no longer relevant or duplicated) completed from a total of 441 recommendations due for completion.
- The number of completed actions has increased since the last meeting from 257 to 291.
- 63 per cent of high risk actions due have been completed and 62 per cent of medium risk actions due have been completed. In addition, 70 per cent of low risk actions due have also been completed.

4.2. **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 1 is a list of all high rated outstanding management actions broken down by directorate and service area.

5. **Comments of Other Committees**

There are no comments from other Committees

6. **Conclusion**

Members note the report

7. **Appendices Attached**

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

8. **Background Papers**

None