

SLOUGH BOROUGH COUNCIL

REPORT TO: Extraordinary Audit & Corporate Governance Committee

DATE: 21st April, 2022

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WARD(S): All

PART I FOR COMMENT & CONSIDERATION

INTERNAL AUDIT UPDATE – END OF QUARTER 4 - 2021/22

1. **Purpose of Report**

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. **The Slough Joint Wellbeing Strategy and the JSNA**

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.

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**

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) Legal Implications

There are no 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 15 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.
- 140 new recommendations have been made in 2021/22 reports. 44 have been completed, 79 actions are not yet due and 17 are overdue. 54 actions are not due until later this 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.
- The internal audit plan 22/23 has been drafted and will be agile to reflect changes in circumstances, including plans develop an in house internal audit function.

5.1.2. 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.

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

Totals	Total	High	Medium	Low
Not Due	4	0	3	1
Overdue	67	2	33	32
Complete*	205	26	91	88
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 205 actions or 74 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 195 to 205 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	46	16	20	10
Overdue	42	8	15	19
Complete	52	4	23	25
Total	140	28	58	54

- There are now 51 actions or 37 per cent completed from a total of 140 actions, note 32 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 **1st April 2022** is as follows:

Totals	Total	High	Medium	Low
Not Due	50	16	23	11
Overdue	110	10	48	51
Complete*	257	30	114	113
Total	406	54	178	174

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

- There are now 257 actions or 63 per cent (including 25 actions deemed to be no longer relevant or duplicated) completed from a total of 406 recommendations due for completion.

- The number of completed actions has increased since the last meeting from 237 to 257.
- 55 per cent of high risk actions due have been completed and 64 per cent of medium risk actions due have been completed. In addition, 64 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 are requested to comment on the details of the report.

8. **Appendices Attached**

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

9. **Background Papers**

None.