

Somerset West and Taunton Council

Audit and Governance Committee – 13th December 2021

Summary of Level 1 and 2 Internal Audit Actions

This matter is the responsibility of the Portfolio Holder for Corporate Resources

Report Author: Malcolm Riches, Business Intelligence & Performance Manager

1.0 Executive Summary / Purpose of the Report

1.1 The purpose of this report is to update the Committee on progress against level 1 and 2 Internal Audit Actions **as at the end of October 2021**.

2.0 Recommendation

2.1 The Committee reviews the overdue actions contained in the report and notes progress to date.

3.0 Risk Assessment

3.1 It is important to ensure that the Council has actioned the high priority actions that come out of Internal Audit reports in order to strengthen governance arrangements.

4.0 Background and Full details of the Report

4.1 The Council has engaged the South West Audit Partnership (SWAP) to carry out its Internal Audit functions; checking the adequacy of controls and procedures across the whole range of Council services.

4.2 At the start of each financial year an audit plan is agreed between SWAP and the Council which identifies the areas of highest potential organisational and operational risk within the Council.

4.3 When an audit takes place a report is provided to the service manager concerned which gives an audit conclusion and opinion.

4.4 Any control or procedural weaknesses are identified within an action plan appended to the audit report.

4.5 All findings will be allocated one of 3 priority ratings as follows:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention

- 4.6 Each finding within the action plan contains a target implementation date which has been agreed between SWAP and the service manager concerned.
- 4.7 All priority 1 and 2 recommendations are captured in a register to ensure progress against the recommendations can be tracked and progress reported to the Audit, Governance and Standards Committee.
- 4.8 This report gives the Committee a progress update on all priority 1 and 2 audit actions, including those where the agreed remedial action is overdue. A summary of the priority 1 and 2 actions is provided in Appendix 1.
- 4.9 The current position as at 31st October
- 12 audit actions currently open. Appendix 2 contains details of the 7 actions which are completed, overdue, or have an imminent due date. There are a further 8 actions whose due date is further ahead and detailed updates will be reported nearer the time.
 - 1 audit report with all Priority 1 and 2 actions completed since the last report (see appendix 1)
 - 3 audit actions completed since the last report in September (see Appendix 2)
 - There are currently 4 audit actions overdue as at 31/10/21, the details are in Appendix 2 with a RAG status for progress being made.

5.0 Links to Corporate Strategy

- 5.1 There are no direct links to corporate aims/priorities although good governance and robust controls form part of the overarching Governance Framework within which the Council operates.

6.0 Finance / Resource Implications

- 6.1 Unmitigated risks identified by SWAP could expose the Council to unanticipated claims, expenditure or exposure to fraud.

7.0 Legal Implications

- 7.1 There are no direct legal implications within this report although unmitigated risks could expose the Council to unanticipated claims.

Democratic Path:

- **Audit and Governance Committee – Yes**
- **Executive – No**

- **Full Council – No**

Reporting Frequency: Quarterly

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