

Somerset West and Taunton Council

Audit and Governance Committee – 13 March 2023

Summary of Level 1 and 2 Internal Audit Actions

This matter is the responsibility of Cllr Benet Allen, Portfolio Holder for Communications and Corporate Resources

Report Author: Malcolm Riches, Business Intelligence & Performance Manager

1 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 January 2023**. As this is the last report for Somerset West and Taunton, this paper includes details on the transfer of open audit actions to Somerset Council. At 31st January there are 4 actions open, and 3 of these are on schedule to be complete before the end of March. The 1 remaining open action is already being addressed through the relevant LGR workstream.

2 Recommendation

- 2.1 The Committee notes the progress being made with audit actions, and that there are currently no overdue audit actions.

3 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 to strengthen governance arrangements.

4 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 within 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. A summary of the priority 1 and 2 actions is provided in Appendix 1.

4.9 As the council moves towards being part of the new Somerset Council it is increasingly likely that some audit actions will be resolved as part of the transition process and new working arrangements within the new authority. Where this is the case it will be mentioned in the narrative for the relevant actions.

4.10 The current position as at 31st January 2023:

- 2 audit reports (GDPR and SWT Regeneration Projects) with all Priority 1 and 2 actions completed since the last report (see Appendix 1).
- 3 audit actions completed since the last report (see Appendix 2).
- There are currently no overdue audit actions that are beyond their current target date.
- 4 audit actions currently open whose due date is after 31st January. These actions are listed along with a RAG status of progress being made in Appendix 2. 3 of these actions are on schedule to be completed before 31st March 2023, and the 1 remaining action (Records Management) is being incorporated as part of the LGR Information Governance Workstream.

5 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 Finance / Resource Implications

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

7 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 13 March 2023**
- **Executive – No**
- **Full Council – No**

Reporting Frequency: Quarterly

List of Appendices

Appendix 1	Summary/Status of Audit Reports
Appendix 2	Update on Priority 1 and 2 audit recommendations as at 31 st January 2023

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