

Surrey Heath Borough Council
Audit Standards and Risk
December 2023

Internal Audit Recommendations Update

Strategic Director/Head of Service	Gavin Ramtohal
Report Author:	Alex Middleton – Senior Auditor
Wards Affected:	n/a

Summary and purpose

To provide Members with an update on Internal Audit recommendations

Recommendation

The Committee is advised to RESOLVE that

- (i) Members are asked to review and note the status of Internal Audit Recommendations

1. Background and Supporting Information

1.1 The Council's Internal Audit service recommends areas for improvement following audit reviews of Council systems and activities by raising audit recommendations.

1.2 Each audit recommendation is classified into one of three classifications:

- **Essential** – normally requires immediate attention to address substantial weaknesses; exposes the Council to areas of high risk; risk of Council business objectives not being met; could result in significant financial loss; non-compliance with statutory guidance/legislation; possibilities of fraud
- **Desirable** - contributes to maintaining an effective control environment and ensures policies and procedures are met; helps to ensure Council Key Priorities and Values continue to be met; areas of medium risk; short to medium term implementation
- **Best Practice** – demonstrates best practice from across the industry and other public sector bodies; helps to improve overall control and efficiency; assists

management to deliver services; medium to longer term implementation; areas of lowest risk

- 1.3 Audit recommendations are monitored by the Senior Auditor on a frequent basis in order to check progress is being made. Service departments are instructed to provide updates on the status of their assigned recommendations every few months.
- 1.4 An update on audit recommendations raised over a rolling 18 month period is reported to the senior management team and to Members approximately every 6 to 9 months.
- 1.5 The process of monitoring, escalating and reporting Internal Audit recommendations is laid down in the Council's Audit Charter and Audit Manual.
- 1.6 The actual number of audit recommendations raised and reported is dependent on the key findings from each audit assignment.

2. Reasons for Recommendation

- 2.1 Audit recommendations are required to be reported to the senior management team and to Members periodically in accordance with the Audit Charter.
- 2.2 Members have previously expressed a desire to be provided with an audit recommendations update, so this report fulfils this committee decision.

3. Proposal and Alternative Options

- 3.1 All audit recommendations raised within a rolling 18 month period are included in this update report, as well as any older recommendation that remains outstanding.
- 3.2 Audits with nil recommendations will not need to be logged on the spreadsheet, as there are no monitoring requirements.
- 3.3 The report includes all updates received from service managers in relation to recommendations that remain outstanding, as at November 2023, as well as any proposed action due to be taken and timescales.
- 3.4 At the time of writing, there were only 4 recommendations outstanding, none of these are classified as essential actions. The proposed action by the Council has been included against each one.

4. Contribution to the Council's Five Year Strategy

- 4.1 Internal audit recommendations contribute to the Five Year Strategy by helping to identify weaknesses in control and governance, and by recommending

continuous improvements in service delivery. Audit recommendations also help to ensure compliance with law and regulations.

5. Resource Implications

5.1 Any follow up work required by service departments to implement audit recommendations highlighted in this report.

6. Section 151 Officer Comments:

6.1

7. Legal and Governance Issues

7.1 Internal Audit recommendations contributes to legal and governance issues by ensuring compliance with the law and regulations, as well as highlighting significant governance issues and suggesting areas for improvement.

8. Monitoring Officer Comments:

8.1 Covered above

9. Other Considerations and Impacts

Environment and Climate Change

9.1 Nil

Equalities and Human Rights

9.2 Nil

9.3 Nil

Risk Management

9.4 Internal Audit recommendations support the Council's risk management framework by identifying weaknesses in control and governance, and suggesting mitigating actions to reduce or alleviate those risks

Community Engagement

9.5 Nil

9.6 Nil

Annexes

Audit Recommendations Log November 2023

Background Papers

Nil