Audit and Governance Committee	
16th July 2025	Reading Borough Council — Working better with you

Title	Audit Recommendations Tracker
Purpose of the report	To note the report for information
Report status	Public report
Report author	Darren Carter, Interim Executive Director of Resources
Lead Councillor	Cllr Ellie Emberson
Corporate priority	Our Foundations
Recommendations	1. That Committee consider the report. 2. That progress against the management actions to address the audit recommendations for audits assigned a 'limited' or 'no assurance' opinion is noted

1. Executive Summary

1.1. The outcomes of internal audit reports are reported to this committee.

1.2. Appendix one attached sets out progress against audit recommendations for audits assigned a 'Limited' or 'No Assurance' opinion only.

1.3. The report tracks progress in implementation of the management responses to audit recommendations. This approach enables 'at a glance' tracking in addressing recommendations.

1.4. The RAG, outlined in Para 3.4, provides an overview of the status in implementing management actions to address audit recommendations.

1.5. Management actions which are overdue are rated red.

1.6. There are currently twenty-nine recommendations on the tracker, Appendix one. Ten actions were reported as complete in August 2024 and removed from the tracker. Seven new recommendations have been added for a Commercial Rents and Leases audit and six recommendations for Supported Living.

1.7. The frequency of reports to this Committee has changed to twice per year. The next report will be in January 2025.
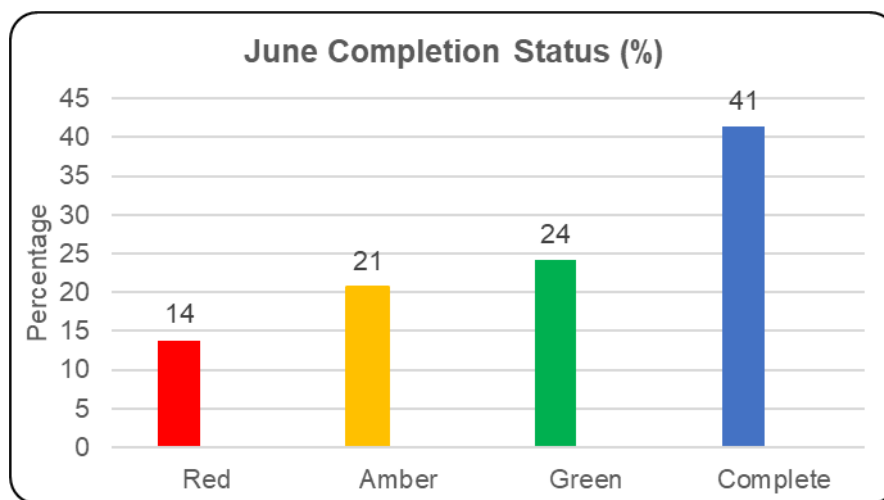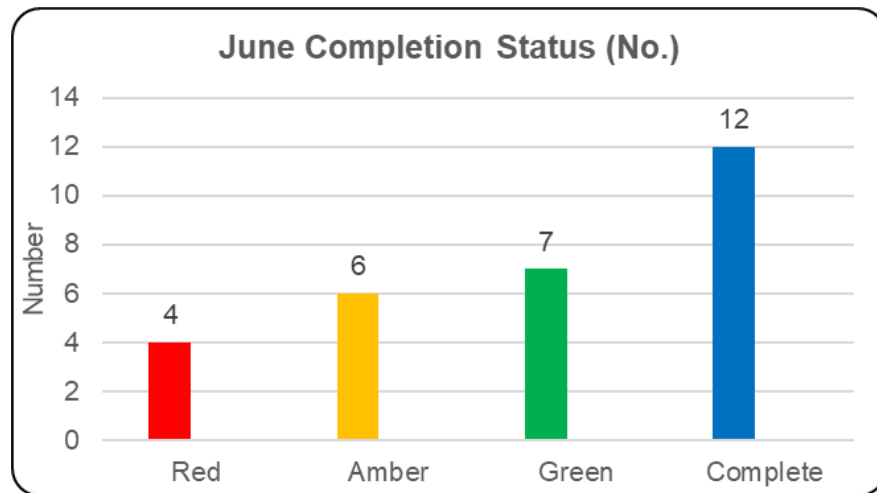
2. Policy Context

2.1. This report supports the Council Plan 2025-28, ensuring that the Council has fit for purpose processes and remains financially sustainable to deliver its service priorities.

3.   The Proposal

3.1.   Only recommendations for audits with either a 'Limited' or 'No Assurance' opinion are included in the report and the tracker appendix.

3.2.   A summary of relevant Internal Audit recommendations and progress in implementing the associated management actions is provided in Appendix 1, attached.

3.3.   In addition, it was agreed previously that priority three recommendations would not be added to the tracker in future as these are advisory points made by the Auditor. Whilst it is important that all agreed audit recommendations are implemented the focus of the Committee should be on high to medium risk recommendations and management actions to address them.

3.4.   Prior to reporting to committee, officers responsible for implementing the specific management actions are asked to update the Audit Tracker with a RAG status and progress update. Each management action correlates to the following ratings:

Audit Tracker Management Action RAG Status Guidance		
Colour	**Status**	**Description**
BLUE	Complete	Management action is complete.
GREEN	On Track	Management action is on track to be completed as planned and within timescale.
AMBER	At Risk	Management action is in progress, but issues encountered mean that there is a risk that action might not be completed in full and/or delivery at risk of delay.
RED	Off Track	Delivery of management action in full and/or on time appears to be unachievable. Management attention needed and adjustment to the scope may need to be requested.

3.5.   Where there is a lack of progress with implementation, for example, regularly missing implementation dates etc, the Director / Assistant Director and Responsible Officer (if different) can be asked to attend the committee meeting to explain the difficulties with implementation and the steps being taken to address them.

3.6.   One (3%) of the twenty-nine Management actions are overdue and listed in Appendix one.

3.7.   The completion status of the management actions detailed in Appendix one is as follows:

June Completion Status (No.)

A bar chart showing Number on the vertical axis (0 to 14) and completion status categories on the horizontal axis:
- Red: 4
- Amber: 6
- Green: 7
- Complete: 12

June Completion Status (%)

A bar chart showing Percentage on the vertical axis (0 to 45) and completion status categories on the horizontal axis:
- Red: 14
- Amber: 21
- Green: 24
- Complete: 41

4. Contribution to Strategic Aims

4.1. The proposals in this report support the Council Plan, ensuring that the Council remains financially sustainable and fit for the future to deliver its service priorities.

5. Environmental and Climate Implications

5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

6. Community Engagement

6.1 Audit Plans and the implementation of recommendations tracker will continue to be reported to this committee.

7. Equality Implications

7.1.   The Equality Duty is relevant to the implementation of audit recommendations. Specific recommendations are subject to consultation and equality impact assessments where required and are progressed as appropriate.

8.   Legal Implications

8.1.   The Council has a duty under the Accounts and Audit Regulations to ensure it has in place a financial control framework which is fit for purpose. It also has a duty to ensure Value for Money in the provision of services.

9.   Financial Implications

9.1.   There are no specific financial implications arising directly from this report, the timely implementation of audit recommendations is critical in improving the Council's internal control and governance arrangements.

9.2.   The Council's Chief Internal Auditor's reports have, over several years, repeatedly reported that audit recommendations made in previous audits have not been implemented. This does not represent value for money from either an audit or wider organisational perspective.

9.3.   Poor systems of internal control and financial governance potentially leave the Council exposed to loss and will result in higher external audit costs due to the lack of assurance they provide, and the consequential higher testing thresholds required by the Council's external auditors.

9.4.   Whilst there are still actions that are RAG rated red, there has been positive engagement with the arrangements and significant improvement since implementing this tracking and reporting process and the number of red recommendations has reduced year on year.

10.   Timetable for Implementation

10.1.   Not applicable.

11.   Background Papers

11.1.   There are none.

Appendices

1.   Audit Recommendations Tracker – June 25