

Allerdale Borough Council

Audit Committee Meeting 26 November 2018

Assurance, Risk and Audit Report for the Quarter Ending 30 September 2018

The Reason for the Decision	To inform the Committee of the work performed by the Assurance, Risk and Audit Team in the first quarter of the financial year 2018/19.
Summary of options considered	N/A
Recommendations	<ol style="list-style-type: none">1. That the report is accepted subject to any additional information that the committee may require.2. That the revised plan is accepted.
Financial / Resource Implications	As outlined in the report
Legal Implications	Acceptance of this report has no legal implications.
Community Safety Implications	Acceptance of this report has no community safety implications.
Health and Safety and Risk Management Implications	Acceptance of this report has no Health and Safety implications. Consideration should be given to the activities reported and how they contribute to the organisations Risk Management Framework
Equality Duty considered / Impact Assessment completed	Equality is considered during the Assurance, Risk and Audit activities.
Wards Affected	All
The contribution this decision would make to the Council's priorities	Acceptance of the Assurance, Risk and Audit Team's work provides a direct and indirect contribution to the achievement of the Council's priorities, in accordance with the Assurance, Risk and Audit Service Plan.
Is this a Key Decision	No
Portfolio Holder	Councillor Joan Ellis (email: joan.ellis@allerdale.gov.uk)
Lead Officer	Emma Thompson, Assurance, Risk and Audit Manager. 01900 702988 emma.thompson@allerdale.gov.uk

Report Implications (Please delete where applicable).

Community Safety	N	Employment (external to the Council)	N
Financial	N	Employment (internal)	Y
Legal	N	Partnership	N
Social Inclusion	N	Asset Management	N
Equality Duty	N	Health and Safety	N

Background papers: Assurance, Risk and Audit reports and working papers.

1 Introduction

1.1 This is the second progress report for the financial year 2018/19.

1.2 Items covered in this report are as follows:

- Performance against the 2018/19 plan and revised plan
- Assurance and consultancy activities during the quarter
- Fraud work
- Assurance, Risk and Audit activity performance,
- Quality Assurance and Improvement Program
- Agreed Action follow up, and
- Training and staffing.

2 Performance against the 2018/19 Audit Plan

2.1 Time Summary

Activity	Planned Days	Actual Days
Statutory Assurance Reviews	69	1.18
Assurance and Risk Support	15	3.85
Follow up and performance	15	14.97
Completion of 2017/18 reviews	35	47.64
Assurance Reviews	90	22.16
Democratic Representation	32	10.54
Corporate Support	135.5	65.30
Projects	25	13.04
Peer Review	5	5.74
Advice	10	1.55
Investigations	10	2.70
Fraud Activities	9	2.70
Risk Management Facilitation	10	3.51
Contingency	6	0
Total Audit Time	466.50	194.88
HR Management	40	38.21
Total Chargeable time	506.50	233.09
Non-Chargeable		

Non chargeable time	45	23.55
Training	30	27.87
Sickness / other absences	10	9.76
Total Non-Chargeable Time	85	61.18
Total Days	591.50	295.08
Annual Leave	99.5	56.93
Total Days	691	352.01

- 2.2 The chargeable time performance for quarter two is 76% (total audit time/total days less HR time) this is slightly below the planned target of 78.87%.
- 2.3 The revised 2018/19 plan is attached as **appendix 1** to this report, due to the reduction in resource resulting from the ARA Assistant being deployed to Housing Options on a 12 month secondment and the additional 6 month temporary management responsibilities the ARA Manager has assumed for Environmental Protection the number of available days has reduced from 466.5 to 413 days.
- 2.4 Due to the reduction in days the following assurance reviews will not be completed in 18/19
- Health and Safety
 - Procurement
 - AONB
 - Job Evaluation
- 2.5 Assurance over the management of risks relating to Contract Management and Corporate Credit Cards will now be included as part of the Risk Management and Financial Services Reviews respectively.
- 2.6 Additional external audit support will be supplied by Mersey Internal Audit Agency for ICT assurance and the Governance Support Assistants will be providing additional administration support. With this approach if planned work is completed, there will be no impact on the ability to provide an opinion on the adequacy and effectiveness of risk management, control and governance at Allerdale Borough Council for 2018/19.

3 Assurance and Consultancy Activities

- 3.1 The assurance activities for this quarter focused on the review of Community Services, Risk Management and ICT. The ARA Manager has also provided specific advice and guidance in relation to risk management at the Lakesman Event.
- 3.2 The following reports were submitted this quarter and can be found in **appendix 2** to this report:
- Risk Management 17/18
 - ICT 17/18

A confidential report is also attached as a restricted item **appendix 3**, this item is restricted due to the content relating to the safety of Officers. Responsible officers will be attending the meeting to provide an overview of progress.

3.3 The ARA Manager is a member of the Transformation and Procurement Board to provide advice and guidance on risk management, control and governance. The Board receives and considers transformation Project Outline Documents for approval, from this it considers the key deliverables of the project and how these contribute to the design principles for the transformational agenda at Allerdale.

3.4 The ARA Officer has provided independent assurance and advice for a key corporate project;

- Waste Contract Tender – Moderation of the evaluation process used to award a contract to a supplier to deliver the Councils statutory obligations for waste collections and ground maintenance.

3.5 Risk management facilitation is a vital role of the Assurance Risk and Audit Service, during this quarter we have supported the organisation by:

- Facilitating a risk management workshop for the Senior Management Team and third Tier Managers – this focused on procurement risk.
- Facilitating a risk management workshop to support the Sports Development Steering Group for the Stadium project.

4 Corporate Fraud

4.1 Preparation for the 2018/19 National Fraud Initiative Data Matching exercise has begun, the ARA Manager has liaised with all responsible officers across the council to ensure everyone is aware of what is expected and the time table for action. Drop in sessions were well attended and the timetable is on track.

4.2 The Corporate Fraud Group continues to meet and discuss any opportunities to improve internal policy and process to contribute to the zero tolerance approach to fraud at Allerdale. The ARA Manager now attends the monthly fraud meetings with DWP to gain further insight into the working arrangements for housing benefit fraud referrals from Allerdale to DWP.

4.3 An attempted fraud was identified and prevented by the Financial Services and Property team relating to falsification of insurance documents for a boat moored in Harrington Marina. This boat has been removed and the relevant insurance company have been informed who will investigate the matter further. Thanks to the team for their vigilance.

5 Progress with the Annual Plan

5.1 The following reviews were in progress at 30 September 2018:

Audit Title	Status
Governance	Testing in progress
Housing and Health	Testing in progress
Financial Services	Planning

5.2 Management's acceptance of recommendations - 100%

Assurance, Risk and Audit is designed to add value and assist management in achieving the organisations overall key aims and objectives. An indicator for ARA performance is that 100% of all recommendations made are accepted by management.

5.3 Management's implementation of agreed actions (recommendations) up to here

For the quarter ending 30 September 2018, 11 actions are overdue, 8 of which were in progress. We have also reviewed the process for agreed actions and adjusted all dates to fall in line with quarter end reporting which will provide efficiencies in Officer follow up time.

6 Quality Assurance and Improvement Program

6.1 The Survey Monkey questionnaire has been revised and responses for this quarter can be found at **appendix 4** to this report. We will continue to look at ways to increase client feedback responses and overall performance.

6.2 The program will be reviewed following the annual self-assessment which will be presented to the next audit committee on 11 February 2019.

7 Corporate Risks and Issues Log

7.1 It was agreed that in the interest of presentation and committee members receiving the most up to date information that the latest high level risk report would be attached as a link instead of an appendix for your information and regular oversight. It was agreed with the Chair that a separate risk workshop will be facilitated by the ARA Manager to discuss the risks by council plan priority, these will take place every six months. This approach will give members a development opportunity and support the management of corporate risks in line with their roles and responsibilities, the first workshop is planned for 10 January 2019.

[Corporate Risk Log Hyperlink](#)

7.2 For external stakeholders the corporate risk log is also published as part of the performance reporting at Allerdale, the most recent performance report can be found at the following link.

[performancereport_risks1819](#)

8 Services Delivered as Locally as Possible

8.1 Assurance, Risk and Audit operates in support of other Council services.

9 Finance and or Resource Implications

9.1 There are currently no finance or additional resource issues that have not already been included in the report.

10 Legal Implications and Risks

10.1 Acceptance of this report has no legal, health and safety or risk management implications other than the consideration of the Corporate Risks and Issues Log by the Committee in terms of oversight of the effectiveness of Risk Management Framework.

11 Recommendations

- 11.1
1. That the report is accepted subject to any additional information that the Committee may require.
 2. That the revised plan is accepted.

Emma Thompson
Assurance, Risk and Audit Manager