

At a meeting of the Audit Committee held in Council Chamber, Allerdale House on Monday 20 March 2023 at 2.00 pm

Members

Councillor Markus Campbell-Savours
(Chair)

Councillor Patrick Gorrill
Councillor Alan Hedworth

Councillor Michael Heaslip

Apologies for absence were received from Councillor Elaine Lynch and Councillor Paul Scott

Staff Present

K Magnay and M Roper

Also Present

Urgent Agenda Items

Under procedural rules 4.35, the Audit Committee Chair agreed to accept two further agenda items for consideration.

1. The Audit findings for Allerdale Borough Council
2. Review of Local Government Reorganisation in Cumbria, from an assessment of the County wide arrangements used to implement LGR which sets out the challenges and opportunities.

423. Minutes

The minutes of the meeting held on 28 November 2022 were signed as a correct record.

424. Declaration of Interests

None declared

425. Questions

None received.

426. Internal Audit Progress Report 2022.23 Q4

The Strategic Advisor – Assurance, Risk and Audit submitted a report which sought to inform the committee of the work performed by the Assurance, Risk and Audit Team between December and March 2022/23.

Seven audit reviews had been finalised since the last progress report in relation to Recruitment and Retention, Car Parking/Car Parking Income, Building and Staff Security, Creditors, Environmental Health and Operational Risk Register Review.

The Strategic Advisor – Assurance, Risk and Audit took members through the appendices to the report.

Members questioned officers in relation to staff retention.

Members also questioned officers with regards to any issues with equipment due to multiple car park machines not having the sufficient signal.

The Strategic Advisor – Assurance, Risk and Audit advised he would look into this.

Members questioned officers in relation to the Arcus system and asked why the recommendations were not stronger around the training guides.

The Strategic Advisor – Assurance, Risk and Audit advised he would look into this.

Members noted the report.

427. Risk Management Progress Report 2022.23

The Strategic Advisor - Assurance, Risk and Audit submitted a report which sought to inform the committee of the work performed by the Assurance, Risk and Audit Team in relation to Risk Management, including progress on recommendations made in the 2021/22 Audit review.

The previous provider was approached to deliver the follow-up review but confirmed they did not have capacity. Further attempts to procure an external review from other providers were also unsuccessful due to the current high demand for Internal Audit services.

As an alternative assurance, this report has been prepared by Assurance, Risk and Audit as a self-assessment of progress against the recommendations. None of the recommendations will be closed and therefore will be carried forward to Cumberland Council until suitable external assurances can be obtained.

The following is a summary of work undertaken by Assurance, Risk and Audit in relation to enhancing risk management at Allerdale during 2022/23:

- Regular review and advice provided to SMT in relation to existing strategic risk register.
- Commissioning of external support to re-develop operational risk registers for all Services, followed by regular reviews.
- Risk workshop held for Allerdale Waste Services Limited.
- Regular input into risk register for Regeneration projects.
- Joint exercise with Procurement to provide training in relation to Procurement Fraud risk management.
- Risk registers subject to audit testing and recommendations where relevant.

An update to the assurance framework was not undertaken as this was superseded by work undertaken by the LGR Risk Management Group.

Members questioned officers in relation to the charitable trust following a constitutional change in 2021 from the constitution-working group, corporate trustee functions not managed or risk assured. Are Cumberland Council aware.

The Strategic Advisor – Assurance, Risk and Audit will look into this and ensure strong risk management is in place.

Members noted the report.

428. Annual Governance Statement

The Strategic Advisor – Assurance, Risk and Audit presented the draft Annual Governance Statement for 2022/23.

The Committee were asked to approve the draft 2022/23 Annual Governance Statement in advance of the abolition of Allerdale Borough Council on 1 April 2023.

Members approved the draft Annual Governance Statement for 2022/23.

429. Draft Annual Head of Internal Audit Opinion 2022/23

The Strategic Advisor – Assurance, Risk and Audit submitted a report which sought to inform the Committee of the Head of Internal Audit's draft opinion on the effectiveness of the Council's arrangements for risk management, governance and internal control in accordance with the requirements of the Public Sector Internal.

The team have completed 10 of the 14 proposed reviews with 2 further audits expected to be completed by 31st March rather than 3 due to sickness within the team.

Members were requested to note:

- (i) The progress achieved in 2022/23 in delivering the Audit Plan and the outcomes of completed audit reviews;
- (ii) The Designated Head of Internal Audit's draft opinion of reasonable assurance on the Council's overall systems of governance, risk management and internal control for the year ended 31 March 2023;
- (iii) The Designated Head of Internal Audit's declaration of Internal Audit's independence as required by the mandatory PSIAS;
- (iv) The Designated Head of Internal Audit's declaration of conformance with the mandatory PSIAS;
- (v) The performance of the Internal Audit service.

Members noted the report.

430. Audit Findings for Allerdale Borough Council

Gareth Kelly of Grant Thornton LLP provided members with the Auditors Annual Report for the year ending March 2023.

Members noted the contents of the report.

431. Review of Local Government Reorganisation in Cumbria

Gareth Kelly of Grant Thornton LLP provided members a review of Local Government Reorganisation in Cumbria report which highlighted the organisational resilience.

Members noted the content of the report.

The meeting closed at 3.38 pm