Allerdale Borough Council

Audit Committee - 24 September 2018

Assurance, Risk and Audit Report for the Quarter Ending 30 June 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	That the report is accepted subject to any additional information that the committee may require.
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 organisation's 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 first progress report for the financial year 2018/19.

1.2 Items covered in this report are as follows:

- Performance against the 2018/19 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	0
Assurance and Risk Support	15	0.84
Follow up and performance	15	7.09
Completion of 2017/18 reviews	35	40.44
Assurance Reviews	90	2.2
Democratic Representation	32	2.93
Corporate Support	135.5	34
Projects	25	8.51
Peer Review	5	5.74
Advice	10	0.37
Investigations	10	1.89
Fraud Activities	9	0.61
Risk Management Facilitation	10	0.41
Contingency	6	0
Total Audit Time	**466.50**	105.03
HR Management	40	20.17
Total Chargeable time	**506.50**	**125.20**
Non-Chargeable		
Non chargeable time	45	12.30

Training	30	14.26
Sickness / other absences	10	4.43
Total Non-Chargeable Time	**85**	**30.99**
Total Days	**591.50**	**156.19**
Annual Leave	**99.5**	**23.24**
Total Days	**691**	**179.43**

2.2   The chargeable time performance for quarter one is 80.16% this is above the planned target of 78.87%, well done to the team.

3   Assurance and Consultancy Activities

3.1   The assurance activities for this quarter focused on the review of Financial Services, Customer Operations, Risk Management and ICT. The ARA Manager has also supported the evidence and production of the Annual Governance Statement

3.2   The following reports were submitted this quarter and can be found in **appendix 1** to this report:
- Financial Services 17/18
- Customer Operations 17/18

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 two corporate projects;

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

- Digital Allerdale/Internet of Things Project - The project includes: Public town centre Wi-Fi, Internet of Things, Wireless business broadband, Digital advertising boards and Channel shift. The work involved moderation of a tender for "next generation wireless network" that provides Wi-Fi and increases 4G coverage within key towns.

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.

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. This group has already identified areas where improved communication channels between departments would support the 'tell us once' approach to service delivery for business customers.

5   Progress with the Annual Plan

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

Audit Title	Status
Community Services	Testing in progress
Risk Management	Testing in progress
ICT	Testing in progress

5.2   **Management's acceptance of recommendations - 93%**

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. One recommendation relating to paperless working was not accepted in the Financial Services review.

5.3   **Management's implementation of agreed actions (recommendations)**

For the quarter ending 30 June 2018, 10 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 2** to this report. We will continue to look at ways to increase client feedback responses and overall performance.

6.2   The ARA team attended an away day in June where we developed a new report. We wanted to make the report more effective and efficient for the team to complete and also include a more visual representation of the assurances in place. This template was discussed at the Audit Committee training day on 10 August and will be used going forward.

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.

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 resource issues that have not been previously reported to the Committee.

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   That the report is accepted subject to any additional information that the Committee may require.

Emma Thompson
Assurance, Risk and Audit Manager