

Allerdale Borough Council

Audit Committee Meeting 12 September 2019

Assurance, Risk and Audit Report for the Quarter Ending 30 June 2019

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 2019/20.
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 self-assessment is considered.
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 John Cook john.cook@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 2019/20.

1.2 Items covered in this report are as follows:

- Performance against the 2018/19 and 19/20 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 2019/20 Audit Plan

2.1 Time Summary

Activity	Planned Days	Actual Days
Statutory Assurance Reviews	83	0.27
Assurance and Risk Support	5	1.57
Follow up and performance	10	0.98
Completion of 2018/19 reviews	10	17.86
Assurance Reviews	64	0
Democratic Representation	28	3.82
Corporate Support	101	19.86
Projects	30	3.48
Peer Review	5	0
Advice	5	0.07
Investigations	5	0
Fraud Activities	15	3.78
Risk Management Facilitation	5	1.55
Contingency	6	0
Total Audit Time	372	53.24
Hub Management	100	15.84
Total Chargeable Audit time	372	53.24
Non-Chargeable		

Non chargeable time	30	5.68
Training	30	9.05
Sickness / other absences	49	29.29
Total Non-Chargeable Time	109	44.02
Annual Leave	109	22.07
Total Days available	481	97.26

- 2.2 The chargeable time performance for quarter one is 55% (total time/total days) this is significantly below the planned target of 77.34%. This is due to the 25 days sickness recorded during the quarter.
- 2.3 Additional external audit support has been supplied by Mersey Internal Audit Agency for ICT assurance. This report was issued in draft during quarter one and will be presented to the Audit Committee as final in the quarter two performance report.

3 Assurance and Consultancy Activities

- 3.1 The assurance activities for this quarter focused on finalising the review of the former Housing and Health Service, the review of Financial Services, Risk Management, Revenues and Benefits and Car Parking Income.
- 3.2 The following reports were submitted this quarter and can be found in **appendix one and two** to this report:
- Housing and Health 18/19
 - Revenues and Benefits 18/19
 - Risk Management 18/19
 - Car Parking Income 18/19 (appendix two restricted)
- 3.3 Following the creation of the Programme Office service the governance arrangements have changed. The ARA Manager is now only involved in risk discussions upon request.
- 3.4 The ARA Manager has provided specific advice and guidance in relation to risk management for the changes to arrangements for the security of cash handling for car parking income.
- 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 performance risk and was well attended.
 - Facilitating a risk management workshop to the Audit Committee.
 - Specific risk support for the plans for the community stadium.

4 Corporate Fraud

- 4.1 The National Fraud Initiative data matches were received in January 2019. These have been categorised by risk and allocated to the appropriate service 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. 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 The Revenues and Benefits department have worked hard to review the data matches, 4634 cases had been reviewed at the time of writing this report, with an identified over payment outcome of £30,467.

The screenshot shows the ReCheck and AppCheck web application interface. The browser address bar displays the URL: https://www.nfi.gov.uk/realtime/Mair. The page title is "ReCheck and AppCheck [Su...". The navigation menu includes "Home", "ReCheck Home", and "Summary".

The main content area displays a summary of matches, including previous years results. The interface includes filters for "Reports by" (Matches, Information Only, My Matches, Search, Outstanding Actions), "Release Date (Run)", "Status", "Level", and "State". The "Dataset" filter is set to "From Any To Any". A "Submit Filters" button is present.

Id ▲	Report Title	Total All	Status	Processed	In Progress	Frauds	Errors	Outcome	Qu
801	Council Tax to Electoral Register	1936	Opened	1914	22	0	67	£24,757.21	
802	Council Tax rising 18s	126	Opened	106	2	0	51	£5,710.32	
803	Council Tax to Other Datasets	3735	Opened	2614	0	0	0	£0.00	
TOTAL		5,797		4,634	24	0	118	£30,467.53	

The left sidebar contains navigation and summary options:

- Page Navigation:** Flexible Matching, Settings
- Summary Options:** Print/Save Summary, Archive Download
- Last Report Viewed:** Report 801
- Global Comment:** Work on this section of the report is now complete...
- Overall Summary:** Processed : 4634, Investigating : 24, Cleared : 4516, Frauds : 0, Errors : 118, Total : £30,467.53, Recovering : 68, Recovering : £25,691.88
- Manual Adjustments:** Error cases : 0, Fraud cases : 0
- Outcomes Summary**

5 Progress with the Annual Plan

- 5.1 The following reviews were in progress at 30 June 2019:

Audit Title	Status
Financial Services	Final Report clearance
ICT (External)	Final Report clearance
Health and Safety	Testing

- 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

After follow up following the quarter ending 30 June 2019, 22 actions were overdue, further follow up work has been completed to reduce this to 15 at the time of writing this report. Eight of these actions are over 50% complete.

Strategy Policy and Performance			
High	Medium	Low	Total
	1		1

Financial Services			
High	Medium	Low	Total
	1		1

Customer Operations and Transformations			
High	Medium	Low	Total
	2		2

Place Development and Housing			
High	Medium	Low	Total
	2	3	5

Community Services			
High	Medium	Low	Total
1	5		6

6 Quality Assurance and Improvement Program (QAIP)

- 6.1 The revised Survey Monkey questionnaire was issued to clients and responses for this quarter can be found at **appendix three** to this report. We will continue to look at ways to increase client feedback responses and overall performance.

7 Risk Management

- 7.1 The six monthly risk workshops have continued, with the last session held on 27 June 2019 and great feedback was received; this format allows Officers to focus time on good quality risk management discussions. Further work will be completed by the team when the Executive have confirmed their Council Plan priorities for the next four years.
- 7.2 The Corporate Risk Register is published as part of the Performance Reports to Executive and can be found as part of the Executive agenda 4 September 2019.

[Performance Report Q1 2019/20 See Appendix 1C](#)

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 self-assessment is considered.

Emma Thompson
Assurance, Risk and Audit Manager