

Comprehensive Assurance	Substantial Assurance	Limited Assurance	Minimal Assurance
<ul style="list-style-type: none"> • Housing Benefit Payments • Council Tax • NNDR 			

Guide to the audit assurance opinions	
Comprehensive	There is a sound system of controls designed to meet objectives, manage risks and controls are consistently applied in all the areas reviewed.
Substantial	There is a good system of controls and risks are managed. However, there are opportunities for improvement in the design or consistency of application that will assist in the achievement of objectives identified as being at risk in the areas reviewed.
Limited	Key controls exist to help achieve objectives and manage principle risks. However, there are opportunities for improvement in the overall control environment which would enhance the design and application of controls, thereby assisting the achievement of objectives identified as being at risk in the areas reviewed.
Minimal	The absence of basic key controls or the inconsistent application of key controls is so severe that the audit area is open to abuse or error. Risks to objectives are not being managed.

Scope and objective
<p>Internal audits mission is to enhance and protect organisational value and support the Council Plan by providing risk based and objective assurance, advice and insight.</p> <p>The Assurance, Risk and Audit Team endeavour to add value and improve Allerdale Borough Council's operations and help to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>As part of the 2018/19 Assurance Risk and Audit Plan, a review has been undertaken of the risk management, controls and processes and procedures in place in respect of the Revenues and Benefits Service. The aim of this review is to provide management with assurance that controls, governance and risk management activities are robust and operating as intended, that mitigating actions are in place to manage risks for this area and provide recommendations for improvements to add value, if appropriate.</p> <p>Information and evidence was gathered using a number of techniques including interviews with key officers testing, observations and questionnaires.</p> <p>Audit testing is identified in the audit scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.</p> <p>Assurance Risk and Audit would like to thank all staff involved during the course of the review for their help and assistance.</p>

Recommendations		
High	Medium	Low
0	1	0

Area of Good Practise
<p>The Revenues and Benefits staff worked with during the review showed excellent knowledge of their areas.</p> <p>The Customer Accounts Officer - Ratings Officer, was very helpful and knowledgeable about her service area, which helped the review to be more efficient.</p>

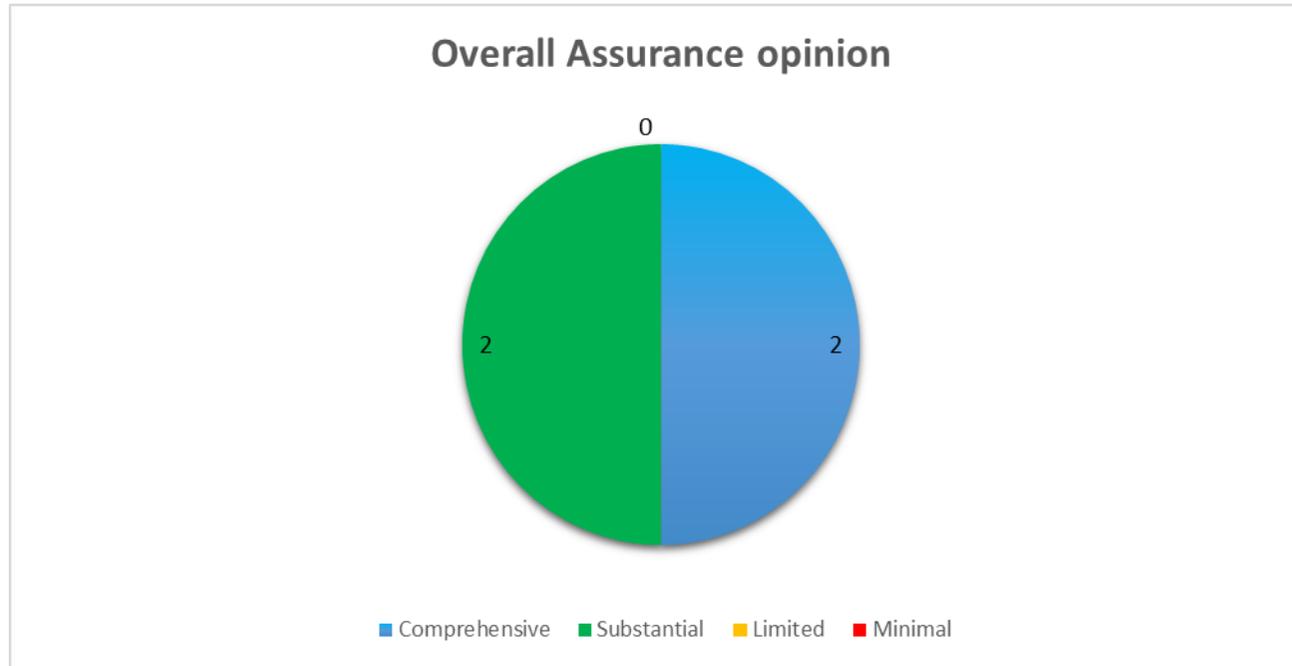
Assurance Area	Risks/Weaknesses	Recommendations	Recommendation date and responsibility
<p>Housing Benefit Payments</p> <p>Audit Opinion Comprehensive</p>	<p>Assurance was gained from the observation on 6 February 2019 of the weekly Housing Benefit pay-run process that controls and key controls were in place.</p> <p>The experienced System Support Officer (SSO) had a robust process in place and this was followed to ensure the correct controls and procedures were delivered. The SSO updates the process on a regular basis to ensure that other team members have a reference should they be performing the tasks in his absence.</p> <p>Observation and testing undertaken of failed BACS payments concluded that measures were in place to ensure issues were resolved quickly and efficiently and returned payments were processed effectively in all relevant finance systems.</p>		

	<p>Bank reconciliation to reconcile the bank account to the General Ledger (GL) and additional reconciliations of Council Tax and NNDR are completed on a monthly basis, this was confirmed by the Technical Officer and noted on the Monthly Certification Form 18/19 which is monitored by the Financial Services Manager, this was not re-performed for this review due to it being considered low risk.</p> <p>Comprehensive assurance has been provided in previous reviews and substantive evidence was provided by the Assistant Accountant to show the reconciliation had been completed accurately.</p>		
<p>Council Tax</p> <p>Audit Opinion Comprehensive</p>	<p>Testing and discussions with key members of staff demonstrated a good system of controls to ensure all dwellings receive accurate council tax bills each financial year. Testing confirmed good quality control resulting from sample testing at the beginning of the year.</p> <p>Amendments to the main billing supplier contract were agreed at operational level without consulting the Data Protection Officer or Legal Team for advice.</p> <p>Competent and experienced staff carry out prompt action and reconciliation to the Valuation Office schedule to confirm accuracy and correct billing.</p>	<p>Recommendation 1 (Medium) - Amendments to contracts in relation to compliance with data processing legislation should be reviewed and agreed by Allerdale's Data Protection Officer prior to signing. Allerdale terms and conditions should be used for all contracts.</p> <p>Response – Completed during draft report stage.</p> <p>Confirmation provided that variation is acceptable from the Data Protection Officer and Legal Officer, rational for amendment provided via 'Allerdale – 2019 Statement of Work' e-mail.</p>	

	<p>Observation and testing demonstrated that overpaid council tax is refunded promptly after all steps in the process are taken to ensure refunds are appropriate. Sample testing confirmed that income and refund balances in Academy are accurately recorded in the GL. Payments testing confirmed correct payment posting.</p>		
<p>NNDR Audit Opinion Comprehensive</p>	<p>An observation of the combination of system, human controls and testing confirmed good controls are in place to ensure business premises receive a correct and accurate NNDR bill for each financial year.</p> <p>Observation and sample testing demonstrated key controls are robust to ensure the correct rateable value is applied at the earliest opportunity. Prompt action is taken and a reconciliation to the Valuation Office schedule confirms accuracy and completeness of the database.</p> <p>Sample testing of exemption relief (Liability), confirmed that accounts are updated promptly and changes of circumstances acted upon at the earliest opportunity to ensure accurate billing. Integrity checks are made at account start up. The suspense account is regularly reviewed and transactions transferred.</p>		

	<p>Testing confirmed payments were allocated to the correct accounts in Academy and accurate and timely reconciliation of Academy and Total GL balances.</p> <p>Observation and testing demonstrated that overpaid Business Rates are refunded promptly after all steps in the process are taken to ensure refunds are appropriate. Sample testing confirmed that income and refund balances in Academy are accurately recorded in the GL. Payments testing confirmed correct payment posting. An attempted fraud has tested the processes in place and evidenced that they were working effectively as there was no financial loss to the council and the appropriate reporting lines were followed accordingly.</p>		
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Report Summary for Risk Management Review 18/19



Comprehensive Assurance	Substantial Assurance	Limited Assurance	Minimal Assurance
Risk Management Strategy	Service Risk		
Corporate risk	Programme/Project Risk		

Guide to the audit assurance opinions	
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Minimal	The absence of basic key controls or the inconsistent application of key controls is so severe that the audit area is open to abuse or error. Risks to objectives are not being managed.

Scope and objective
<p>Internal audits mission is to enhance and protect organisational value and support the Council Plan by providing risk based and objective assurance, advice and insight.</p> <p>The Assurance, Risk and Audit Team endeavour to add value and improve Allerdale Borough Council's operations and help to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>As part of the 2018/19 Assurance Risk and Audit Plan, a review has been undertaken of the controls and procedures in place in respect of risk management The aim of this review is to provide management with assurance that controls, governance and risk management activities are robust and operating as intended, that mitigating actions are in place to manage the key corporate risks for this area as recorded by the risk owner and provide recommendations for improvements to add value, if appropriate.</p> <p>Due to the changes to the organisational structure the programmes and projects framework in relation to risk management is in its infancy, this review provides assurance over the process in place, however further testing will be undertaken in 2019/20 when this is embedded.</p> <p>Information and evidence was gathered using a number of techniques including testing, observations and questionnaires.</p> <p>As audit work is controlled by the areas identified in the audit scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.</p> <p>Assurance Risk and Audit would like to thank all staff involved during the course of the review for their help and assistance.</p>

Recommendations		
High	Medium	Low
0	3	0

Area(s) for improvement
2 areas for improvement were suggested.

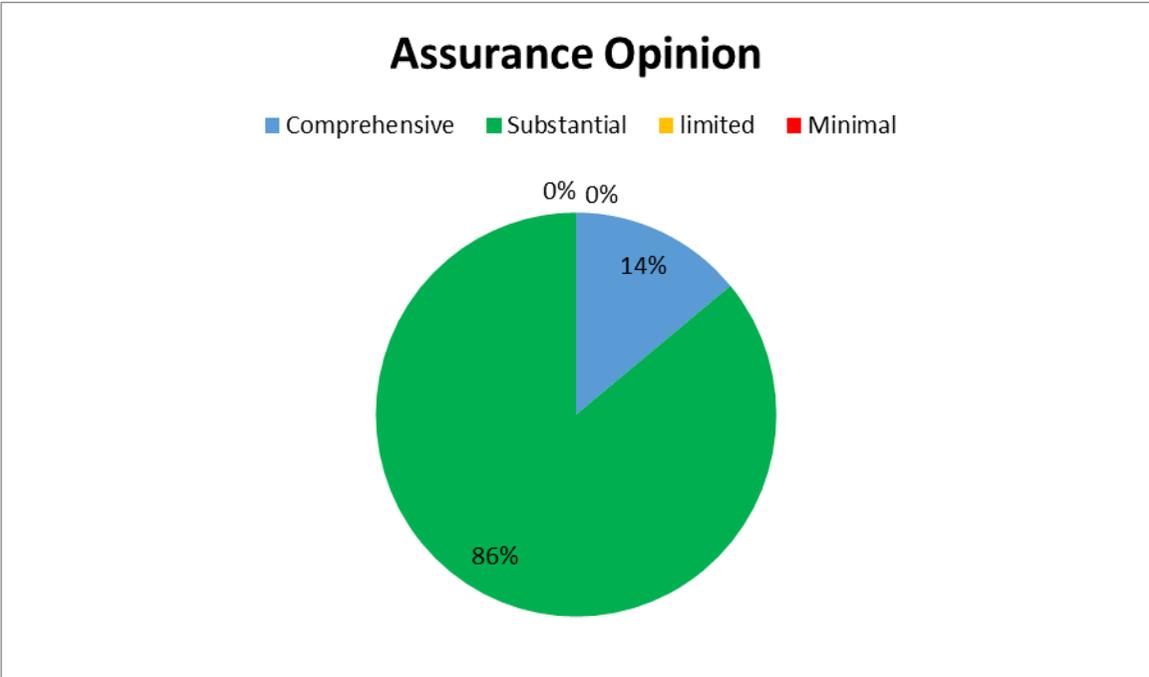
Assurance Area	Risks/Weaknesses	Actions plan/Recommendations
<p>Risk management strategy including roles and responsibilities.</p> <p>Integrated Assurance Strategy has been developed, approved and communicated to all staff. The assurance risk and audit department are also available to support and advise staff around risk management.</p> <p>A strategic risk register is in place across the organisation and clearly defines roles and responsibilities.</p> <p>The Corporate Risk register is monitored at a senior level in quarterly performance reports for SMT & the Executive.</p>	<p>The Integrated Assurance Strategy recommends that the Corporate risk log is reviewed monthly by SMT. A review of the past 6 months SMT meetings shows that it was discussed 3 times. There has been some re-formatting of the SMT meeting in recent months and this should ensure the corporate risk log is reviewed monthly.</p> <p>A depth test was carried out on the Corporate Risk Register. Ownership of most corporate risks are available however two are missing. Due to the re-organisation of the councils departments some of the ownership of risks needs updating. It was also apparent that Customer Transformation, Finance and Housing all have some risk management information missing from the risk register.</p>	<p>Agreed Action 1. Corporate risk and issues log is a standard agenda item at SMT to ensure consistent monitoring. (medium)</p> <p>Head of Governance and Regulatory Services 28 June 2019.</p> <p>Agreed Action 2. Ownership of corporate risk to be updated after re-organisation of the council. (medium)</p> <p>Head of Governance and Regulatory Services 31 October 2019.</p>
<p>Corporate Risk</p> <p>A test of two corporate risks confirmed that mitigating actions were suitable for</p>	<p>Where there are multiple mitigating actions for a risk it is difficult to</p>	<p>Area of improvement: Consideration be given to consistently having a responsible</p>

<p>managing the risk.</p> <p>Members have sufficient understanding of strategic risks. Risk management training has been recently carried out and feedback shows that they felt this improved their understanding and ability to provide oversight in the process.</p> <p>Some service risks have multiple and diverse risks that require management. The ARA manager has developed a risk profiling template for any complex risks. The ARA Manager facilitates a workshop to capture more in depth risk management information to support the delivery of objectives. Employees can meet with ARA Manager/Officer on request to discuss complex cases</p>	<p>comprehend who the responsible person is.</p>	<p>person for each individual action detailed in the risk register.</p>
<p>Service risks</p> <p>The Integrated Assurance Strategy provides an organisational approach to service risks.</p> <p>A Service Risk Register is in place and is regularly reviewed.</p> <p>Each service has its own section in the organisations Service Risk Register. There is a template used by all services to provide a consistent approach. The template and guidance on completing this</p>	<p>Although the risk register is reviewed regularly there is an inconsistent approach to how each service records this. This would be beneficial in providing a standardised approach for monitoring.</p> <p>From the depth test there are some mitigating action missing and responsible risk owners for some areas.</p>	<p>Area of improvement: A consistent approach to recording the review of the risk register would be beneficial for overall monitoring.</p> <p>Agreed action 3. All service risk registers should have up to date mitigating risks and a responsible person assigned. (medium)</p> <p>Head of Strategy Policy and Performance</p>

<p>is available on the document available on SharePoint and in the Integrated Assurance Strategy.</p>		<p>31 July 2019</p>
<p>Programme/Project risks</p> <p>The Programmes Office is currently going through a review of their risk management strategy a draft has been drawn up. This sets out levels of acceptable risk tolerance and roles and responsibilities within projects.</p> <p>A programme risk log is yet to be completed due to fact that the department has only recently been convened. The template is already available on SharePoint for completion; no reviews have taken place yet due to it being newly established.</p> <p>Project and Programme Risks and exceptions are regularly reviewed and this is documented. The Project Executive is responsible for regularly reviewing risks and monitoring. The sponsoring group/board have overall oversight of risk management for the project. The projects assurance board provides independent view on progress and quality of projects and makes</p>	<p>No depth testing was completed in relation to this area as the newly created Programme and Projects Service is not yet embedded. ARA will prioritise this area for testing as part of the risk management review for 2019/20.</p>	

<p>recommendation to SMT.</p> <p>Roles and responsibilities for project and programme risks and their mitigating actions are clearly defined. Individuals are aware of and understand their respective responsibilities. Confirmation of these roles are made available on a monthly report made available to SMT.</p>		
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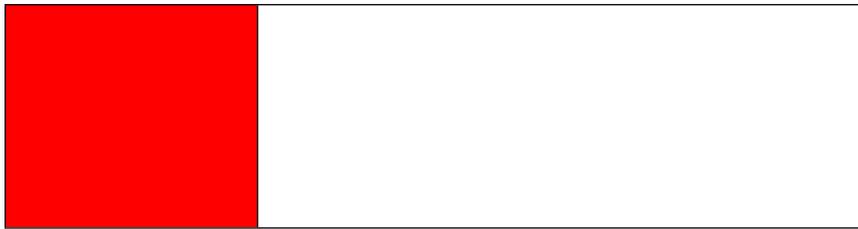
Report Summary for Housing and Health Review 18/19



Comprehensive Assurance	Substantial Assurance	Limited Assurance	Minimal Assurance
0 Areas	3 Areas <ul style="list-style-type: none"> Corporate risks are managed Service risks are managed Grants process & Procedures 	0 Areas	0 areas

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scope and objective
<p>Internal audits mission is to enhance and protect organisational value and support the Council Plan by providing risk based and objective assurance, advice and insight.</p> <p>The Assurance, Risk and Audit Team endeavour to add value and improve Allerdale Borough Council's operations and help to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p> <p>As part of the 2018/19 Assurance Risk and Audit Plan, a review has been undertaken of the controls and procedures in place in respect of Housing & Health The aim of this review is to provide management with assurance that controls, governance and risk management activities are robust and operating as intended, that mitigating actions are in place to manage the key corporate risks for this area as recorded by the risk owner and provide recommendations for improvements to add value, if appropriate.</p> <p>Information and evidence was gathered using a number of techniques including testing, observations and questionnaires. Areas Covered where Housing Health responsibilities for corporate risks, service risks, corporate business plan, finance, regulatory services and the grants process and procedure. During the completion of this review the Housing and Health Service has been reorganised and this now sits between Place Development And Regulatory Services. This report will be communicated to all relevant parties.</p> <p>As audit work is controlled by the areas identified in the audit scope</p>



and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

Assurance Risk and Audit would like to thank all staff involved during the course of the review for their help and assistance.

Recommendations		
High	Medium	Low
	6	1

Area(s) for improvement
2 areas for improvement were suggested.

Assurance Area	Risks/Weaknesses	Actions plan/Recommendations
Housing and Health Corporate Risks:	<p>The council has limited control over the delivery of affordable housing due to the reliance on other sectors in carrying this out. Work such as giving information and advice about assistance is carried out by the Community Led Housing Officer and meetings with community groups and developers to encourage affordable housing are regularly held.</p> <p>In July 2018 a Strategic review of the Disability Facilities Grant process was undertaken using the lean principles due to targets not being met and a desire to</p>	<p>Recommendation 1: The current DFG framework agreement should be reviewed and an options appraisal undertaken prior to the existing frameworks. Complete</p>

	<p>streamline the process.</p> <p>KPI's have been amended due to the extra grant funding streams that have been introduced to more realistic targets and an action plan has been put into place to help achieve this. A Full time admin assistant is now in post. Performance of contractors is being monitored to improve accountability and training for staff is being addressed via staff appraisals.</p> <p>The Strategic housing forum formed to establish health priorities and potential projects last met in October 2017. No further meetings were arranged due to not being as effective. The Housing Development Manager confirmed that after discussions with partners as to how to improve the meeting, there is possibility that the forum will be re-established in spring 2019 to fall in line with the strategic housing policy, as a way of informing partners of future goals and plans.</p> <p>To date there has not been regular training sessions for landlords. A well-attended consultation event and online consultation was held in March 2018 in regards to the new enforcement policy. The newsletter on Allerdale's website from</p>	<p>Response Housing and Development Manager. A decision has been taken to enter into the framework agreement with Carlisle City Council, this was considered the best value for money.</p> <p>Recommendation 2: A meeting of The Strategic Housing Forum be arranged to agree the frequency of the meetings going forward.</p> <p>(medium) Housing and Development Manager</p> <p>Date 30/9/19</p> <p>Recommendation 3: Regular specialised landlord training should be provided and newsletters should be consistently published at an agreed period. (low)</p> <p>Response – External funding has been received for a rogue landlord project for St Michael's ward, this has the potential to be</p>
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	<p>2017 requires updating.</p> <p>A scheme offering financial support to registered providers to minimise the risk of losing social housing stock through disposal requests was introduced but there has been no interest and has now been relinquished.</p>	<p>the format for future engagement with landlords. Completed</p> <p>There are no further plans for landlord training at this time.</p>
<p>Service Risks:</p>	<p>The temporary accommodation keys are not stored in a secure area In line with GDPR requirements.</p> <p>The introduction of locata IT system to the housing options team has meant more efficient ways of working in line with the new Homelessness Reduction Act.</p> <p>There is an inconsistent approach across the service to monitor and record training carried out by employees. By maintaining training records it shows regulatory compliance and can be utilised by internal management and the employee themselves.</p> <p>Water Sampling regulations changed in July 2018 and samples must test 59 chemical parameters instead of 19.</p>	<p>Recommendation 4: The temporary accommodation keys should be securely stored, with limited access. (Medium)</p> <p>Resilience and Safety Manager</p> <p>Completed</p> <p>Area of Improvement 1: Thought should be given to reporting on B&B usage as temporary accommodation so that assurances around cost can be considered.</p> <p>Recommendation 5: A consistent approach to monitoring and recording training and qualifications should be sought to demonstrate competency in statutory roles. (medium)</p>

	<p>Increasing the time required to complete water sampling and the need for more samples requiring re-testing due to this. The role which covers water sampling has also altered to include additional duties including enforcement, therefore The Environmental Protection Manager feels resource required for the altered role, and specifically the water sampling programme should be reviewed.</p> <p>The 'prevent' terrorism awareness e-learning course is mandatory for all staff. 8 Housing and Health staff members have yet to complete this. A 'prevent' board has been established and meeting quarterly.</p>	<p>Human Resources Manager</p> <p>Complete</p> <p>Recommendation 6: The resource requirement for the water sampling programme should be reviewed to ensure statutory duties are met and that this is done cost effectively (medium)</p> <p>Complete – resource plan has been created and escalated to management</p>
<p>Grants Process:</p>	<p>Process maps are available for all grants. However due to the implementation of the new Arcus system these will need to be amended in line with the new system processes.</p> <p>Applications are currently held in paper files and information is duplicated and stored on M3 system. The M3 system is due to be replaced by Arcus and consideration should be made holding all information on their only to make the process more efficient.</p> <p>Target dates have been set for staff to achieve each step of the Grants process.</p>	

	<p>This has been successfully implemented and is being monitored by the Housing Manager in order to monitor any problematic areas and ensure that grants are processed in a timely and efficient way.</p> <p>No documentation is held to evidence that applicants of means tested grants have meet the approved criteria.</p> <p>A number of checks are completed to check whether any duplicate grant applications have been made, however no record of the checks are saved as an audit trail making it difficult to know if assurance check has been completed.</p>	<p>Recommendation 7: Evidence that an applicant has met the qualifying approved criteria for means tested grants should be retained. (medium) Completed</p> <p>Housing and Development Manager</p> <p>Response – The Arcus solution will have the facility for uploading images of financial evidence to support means testing, this will be built into the Arcus system.</p> <p>Area in for improvement 2 Checks for duplicate grant applications should be recorded for grant compliance monitoring and management purposes. (medium) Completed as part of ongoing management monitoring.</p>
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