

Allerdale Borough Council

Audit Committee Meeting 26 November 2019

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

The Reason for the Decision	To inform the Committee of the work performed by the Assurance, Risk and Audit Team in the second quarter of the financial year 2019/20. To provide the revised Assurance Risk and Audit plan for approval.
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 John Cook john.cook@allerdale.gov.uk
Lead Officer	Emma Thompson, Assurance, Risk and Audit Manager. 01900 702988

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 2019/20.

1.2 Items covered in this report are as follows:

- Performance against the 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	1.82
Assurance and Risk Support	5	2.17
Follow up and performance	10	2.36
Completion of 2018/19 reviews	10	18.60
Assurance Reviews	64	26.22
Democratic Representation	28	9.29
Corporate Support	101	45.30
Projects	30	5.30
Peer Review	5	0.41
Advice	5	1.42
Investigations	5	4.59
Fraud Activities	15	8.82
Risk Management Facilitation	5	2.57
Contingency	6	
Total Audit Time	372	315.70
Hub Management	100	41.62

Total Chargeable Audit time	372	170.51
Non-Chargeable		
Non chargeable time	30	13.31
Training	30	26.55
Sickness / other absences	49	67.20
Total Non-Chargeable Time	109	107.06
Annual Leave	109	38.14
Total Days available	481	315.70

- 2.2 The cumulative performance up to quarter two is 54% (total chargeable time/total days) this is below the planned target of 77.34%. The revised plan is being presented to committee today for approval, all areas planned for review during 2019/20 will be delivered as planned.
- 2.3 Additional external audit support was supplied by Mersey Internal Audit Agency for ICT assurance. This report was issued in draft during quarter one and is presented to the Audit Committee as final as part of the quarter two performance report. This can be found at **appendix two**.
- 2.4 At the end of the second quarter the ARA Manager reviews activity and provides a revised plan to the Audit Committee for Approval. This allows an opportunity to consider the original time budgeted for each area and use this as a guide for the second half of the year based on what we know now. No audit reviews have been removed from the plan we have adjusted time spent in other areas such as projects and corporate support to ensure all assurance reviews are delivered. The plan has also been adjusted to ensure sickness absence reflects the actual position with our team.
- 2.5 A revised plan has been prepared to provide the Audit Committee the proposed Resource Plan for Internal Audit and Assurance activity for October to March 2019. This can be found at **appendix three**.

3 Assurance and Consultancy Activities

- 3.1 The assurance activities for this quarter focused on the completion of the Financial Services Review and ICT review. The Corporate Procurement, Contract Management and Health and Safety reviews are also in progress.
- 3.2 The following reports were submitted this quarter and can be found in **appendix one and two** to this report:
- Financial Services
 - ICT
- 3.3 Consultancy services were provided to the Chief Executive in relation to the evaluation of evidence provided for a historical complaint.

- 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.

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.
- 4.3 We are working with the Corporate Strategy team to consider further National Policy in relation to counter fraud measures for Local Authorities. Further work will be undertaken to identify any additional schemes that would benefit Allerdale Fraud Risk Management.

5 Progress with the Annual Plan

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

Audit Title	Status
Corporate Procurement	Draft report
Contract Management	Testing
Revenues and Benefits	Planning
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 September 2019, 15 actions were overdue, after follow up activity and at the time of writing this report 12 remain overdue.

Area	High	Medium	Low
AONB			1
Customer Operations		2	
Community Services		3	
Place Development		3	2
Strategy Policy and Performance		1	

6 Quality Assurance and Improvement Program (QAIP)

- 6.1 The revised Survey Monkey questionnaire was issued to clients and no further responses were received for this quarter. We will continue to look at ways to increase client feedback responses and overall performance.
- 6.2 Both the Assurance Risk and Audit Officer and the Assurance Risk and Auditor have requested to further their professional studies to achieve Certified Internal Auditor status. Their learning programme should commence in 2020. This will build further resilience into the team and is an excellent example of their commitment to their profession.

7 Risk Management

- 7.1 Risk management facilitation is a vital role of the Assurance Risk and Audit Service, during this quarter we have supported the organisation by:
- Providing support to update and improve information in the Corporate Risk Register
 - Risk profiling to support the options appraisal for the future of waste and recycling services
 - Providing support to improve grant processes.
- 7.2 The Corporate Risk Register is published as part of the Performance Reports to Executive and can be found;

[Performance](#)

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