

**Allerdale Borough Council**

**Audit Committee Meeting 24 November 2020**

**Assurance, Risk and Audit Report for the Quarter Ending 30 September 2020**

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<b>The Reason for the Decision</b>	To inform the Committee of the work performed by the Assurance, Risk and Audit Team in the second quarter of the financial year 2020/21.
<b>Summary of options considered</b>	N/A
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That the report is accepted subject to any additional information that the committee may require.</li><li>2. That the revised plan is accepted.</li></ol>
<b>Financial / Resource Implications</b>	As outlined in the report
<b>Legal Implications</b>	Acceptance of this report has no legal implications.
<b>Community Safety Implications</b>	Acceptance of this report has no community safety implications.
<b>Health and Safety and Risk Management Implications</b>	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.
<b>Equality Duty considered / Impact Assessment completed</b>	Equality is considered during the Assurance, Risk and Audit activities.
<b>Wards Affected</b>	All.
<b>The contribution this decision would make to the Council's priorities</b>	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.
<b>Is this a Key Decision</b>	No
<b>Portfolio Holder</b>	Councillor Jim Lister (email: <a href="mailto:jim.lister@allerdale.gov.uk">jim.lister@allerdale.gov.uk</a> )
<b>Lead Officer</b>	Paula McKenzie, Assurance, Risk and Audit Officer. <a href="mailto:paula.mckenzie@allerdale.gov.uk">paula.mckenzie@allerdale.gov.uk</a>

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## 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 2020/21. The Assurance Risk and Audit (ARA) team continue to support the response to the Covid 19 pandemic and carry out the audit plan remotely.

1.2 Items covered in this report are as follows:

- Performance against the 2020/21 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 2020/21 Audit Plan

#### 2.1 Time Summary

Activity	Planned Days	Actual Days
Statutory Assurance Reviews	100	1.45
Assurance and Risk Support	4	2.16
Follow up and performance	13	5.98
Completion of 2019/20 reviews	15	24.73
Assurance Reviews	13	0.14
Democratic Representation incl Members training and support	22	7.06
Corporate Support & volunteer days	86	82.97
Projects	41	6.72
Peer Review	4	0
Advice	5	0
Investigations	5	0
Fraud Activities	17	5.88
Risk Management Facilitation	9	6.28
Covid-19 related	104	48.55

<b>Total Audit Time</b>	<b>441</b>	<b>237.60</b>
Hub Management	87	45.68
<b>Total Chargeable Audit time</b>	<b>528</b>	<b>283.28</b>
<b>Non-Chargeable</b>		
Non chargeable time	27	29.49
Training	27	9.02
Sickness / other absences	16	2.94
<b>Total Non-Chargeable Time</b>	<b>70</b>	<b>41.45</b>
<b>Annual Leave</b>	<b>117.5</b>	<b>37.06</b>
<b>Total Days available</b>	<b>715.5</b>	<b>361.79</b>

- 2.2 The cumulative performance up to quarter two is 78% (total chargeable time/total days) above the planned target of 73.72%. This is considered an excellent achievement based on challenges faced within the team during this period.
- 2.3 The revised 2020/21 plan is attached as **appendix 1** to this report, due to the reduction in resource resulting from the Assurance Risk and Internal Auditor being deployed to the Programmes and Projects team on a 3 month secondment and the vacant Assurance Risk and Audit Manager role the number of available days has reduced.
- 2.4 Due to the reduction in days the following assurance reviews will not be completed in 20/21
- Risk Management
  - Ethics and Culture
  - GDPR
- 2.5 Additional external audit support by Mersey Internal Audit Agency for ICT and Finance is currently being explored and the Governance Support Assistants will be providing additional administration support to the ARA team, with this approach if planned work is completed, there will be no significant impact on the ability to provide an opinion on the adequacy and effectiveness of risk management, control and governance at Allerdale Borough Council for 2020/21.

### **3 Assurance and Consultancy Activities**

- 3.1 The assurance activities for this quarter focused on the completion of the Financial Services and Ethics and Culture reviews. The ARA officer has also provided advice and guidance in relation to IR35 in this quarter.
- 3.2 Corporate Risk management and Risk Management Facilitation no longer sits with the ARA team and is now under the Allerdale Local Focus Hub Managers role.

## 4 Corporate Fraud

- 4.1 The National Fraud Initiative requires annual data for both Council Tax and Electoral Services to support the early identification of fraud. Both services are on track to deliver this information in line with the deadline.
- 4.2 The National Fraud Initiative Main Data Matching Exercise is due in autumn 2020/21, the timetable for completion of the actions has been shared with all responsible officers for delivery of their specified data sets.

## 5 Progress with the Annual Plan

- 5.1 The following reviews were in progress at 30 September 2020:

Audit Title	Status
Ethics and Culture	Draft Report Stage
Financial Services	Draft Report Stage

## 5.2 Management's acceptance of recommendations - 100%

ARA is designed to add value and assist management in achieving the organisations overall key aims and objectives. After follow up following the quarter ending 30 September 2020, 11 actions were overdue, out of those 11, nine were 50% or above on progress. ARA follow up activity quarterly however the responsibility of implementation lies with management.

Area	High	Medium	Low
Development Services	0	1	2
Cash Management (car parks)	1	1	0
Asset Management	0	1	0
Economic Growth	0	1	0
Governance	2	0	0
Procurement	0	0	1
Finance	0	1	0

## 6 Quality Assurance and Improvement Program

- 6.1 Professional Training and Development has been on hold during this quarter due to pandemic restrictions, the prioritisation of Covid 19 work and redeployment of resources. However the Assurance Risk and Audit Officer had approval to further her professional studies to achieve Certified Internal Auditor status, the learning programme was set to commence in April 2020, this will hopefully commence once virtual learning is agreed. This will build further resilience into the team and is an excellent example of commitment to the profession.

## 7 Risk Management

- 7.1 As stated above at 3.2 Corporate Risk management and Risk Management Facilitation no longer sits with the ARA team and is now under the Allerdale Local Focus Hub Managers role.

- 7.2 The Corporate Risk Register is published as part of the Performance Reports to Executive and can be found at the link below;

[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.

**Paula McKenzie**  
**Assurance, Risk and Audit Officer**