

Allerdale Borough Council

Audit Committee Meeting 1 February 2021

Assurance, Risk and Audit Report for the Quarter Ending 31 December 2020

The Reason for the Decision	To inform the Committee of the work performed by the Assurance, Risk and Audit Team in the third quarter of the financial year 2020/21.
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 committee consider the annual Public Sector Internal Auditing standards self-assessment.
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 Jim Lister jim.lister@allerdale.gov.uk
Lead Officer	Paula McKenzie, Assurance, Risk and Audit Officer. 01900 702987 paula.mckenzie@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 third progress report for the financial year 2020/21.

1.2 Items covered in this report are as follows:

- Performance against the 20/21 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	4.76
Assurance and Risk Support	4	2.23
Follow up and performance	13	7.64
Completion of 2019/20 reviews	15	26.86
Assurance Reviews	13	0.14
Democratic Representation	22	9.46
Corporate Support	86	106.39
Projects incl Covid 19 work	41	60.03
Peer Review	4	0.17
Advice	5	0
Investigations	5	0
Fraud Activities	17	9.29
Risk Management Facilitation	9	6.49
Total Audit Time	334	233.46
Hub Management	87	45.68
Total Chargeable Audit time	421	279.14
Non-Chargeable		

Non chargeable time	27	37.09
Training	27	11.66
Sickness / other absences	16	4.68
Total Non-Chargeable Time	70	53.43
Annual Leave	117.5	47.56
Total Days available	608.5	380.13

- 2.2 The cumulative performance up to quarter three is 73.43% (total chargeable time/total days) slightly below the planned target of 73.72%. This is still considered an excellent achievement based on challenges faced within the team during this period, including annual leave over the Christmas period and the team remaining under resourced in quarter three.
- 2.3 The ARA Officer has completed the annual PSIAS self-assessment which is being presented to the Audit Committee for consideration. This document provides the Committee an overview of compliance for Internal Audit Services at Allerdale Borough Council. **See appendix one.**

3 Assurance and Consultancy Activities

- 3.1 The assurance activities for this quarter focused on the completion of the Financial Services 19/20 and Ethics and Culture reviews 19/20, the Allerdale Waste Services, Finance 20/21 and ICT reviews are also in progress.
- 3.2 The following reports were submitted this quarter and can be found in **appendix two and three** to this report:
- Financial Services 19/20
 - Ethics and Culture 19/20

4 Corporate Fraud

- 4.1 The National Fraud Initiative requires annual data to support the early identification of fraud. The timetable for completion of the actions and reminder emails were circulated to all responsible officers for delivery of their specified data sets. This year seen the need for additional data sets for a separate exercise and also grant information adding additional work load to the responsible officers. The team worked hard to submit their data sets. Only one data set was submitted on 4 January 2021, after the deadline of the 1 December 2020, an explanation has been submitted to the NFI on Allerdales behalf. Thank you to all the responsible officers for your work on submissions.
- 4.2 The ARA Officer has been supporting the grants teams with fraud work. One suspected fraud was identified which crossed local authority boundaries. This was forwarded to all necessary parties.

5 Progress with the Annual Plan

5.1 The following reviews were in progress at 31 December 2020:

Audit Title	Status
Financial Services	Testing
ICT	Testing
Allerdale Waste Services	SCE

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 31 December 2020, zero actions were overdue, this is an excellent achievement by both the responsible officers and Heads of Service, who have prioritised reducing the number outstanding agreed actions. ARA follow up activity quarterly however the responsibility of implementation lies with management.

6 **Quality Assurance and Improvement Program (QAIP)**

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 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**

1. That the report is accepted subject to any additional information that the committee may require.
2. That the committee consider the annual Public Sector Internal Auditing standards self-assessment.

Paula McKenzie
Assurance, Risk and Audit Officer