

Allerdale Borough Council

Audit Committee – 25 July 2022

Internal Audit Progress Report (2021.22 EOY & 2022.23 Q1)

Portfolio holder	Councillor Colin Sharp PH Finance & Legal
Report from	Michael Roper - Strategic Advisor: Assurance, Risk & Audit
Wards affected	All
Is this a key decision	No

1.0 The reason for the decision

- 1.1 To inform the Committee of the work performed by the Assurance, Risk and Audit Team in relation to the financial year 2021/22 and Q1 2022/23.

2.0 Recommendations

- 2.1 That the report is accepted subject to any additional information that the committee may require.

3.0 Background and Introduction

- 3.1 All posts within the Council's Assurance, Risk and Audit team have been vacant for most of the time since the previous progress report presented to the Committee on 25 November 2021.
- 3.2 However, the Council continued to engage with an external contractor (MIAA) to deliver Internal Audit Services over this period, resulting in seven audits being finalised and one draft report.
- 3.3 The Council has recruited to the Strategic Advisor post (Chief Audit Executive) from April 2022 in a shared arrangement with Copeland and Carlisle and further activity is ongoing to recruit to the remaining vacancies, as well as supporting Council officers with advice on governance, risk management and internal controls.

- 3.4 This report provides an update on assurance and consultancy work activity delivered in the period, alongside progress against agreed actions.
- 3.5 Performance against the audit plan is considered separately as part of the Internal Audit annual report.

4.0 Content (to include alternative options considered)

- 4.1 Seven audit reviews have been finalised since the last progress report and are submitted to the Audit Committee for their consideration, as summarised in the table below:

Review	Assurance Rating	Appendix
Risk Management	Moderate	1
Allerdale Waste Services Ltd	Substantial	2
Council Tax	Substantial	3
National Non-Domestic Rates	Substantial	4
Housing Benefits	Substantial	5
Main Accounting System	High	6
Treasury Management	High	7

- 4.2 One further audit (Mobile Working) has been completed in draft and will be presented at the next Committee meeting.
- 4.3 In addition the Strategic Advisor Assurance, Risk & Audit has provided assurance and risk advice to support the organisation in the achievement of its objectives in the following areas:

- Strategic Risk Register
- Waste Services

5.0 Implementation of agreed actions.

- 5.1 As at April 2022 there were 32 outstanding agreed actions. Service managers were contacted and asked to provide an update. Progress against agreed actions is summarised below:

- 8 (25%) agreed actions have been confirmed as fully actioned.
- 4 (13%) agreed actions were made prior to LGR and are no longer considered efficient or effective to complete.

- 7 (22%) agreed actions have been progressed, but are not yet complete
- Progress on 13 (40%) agreed actions is currently being ascertained between Assurance, Risk & Audit & responsible managers.

5.2 Delays to completing agreed actions generally relate to vacancies within relevant areas or changes to the approach following Local Government Re-Organisation and no significant control concerns are arising from findings to date. All outstanding actions will be followed up again in the next period (unless an agreed revised date falls later than this).

5.3 From the next Committee, Internal Audit will present SMT with a schedule of progress against outstanding actions followed up in the period, which will be submitted to the Committee for information.

6.0 Implications and Impact

6.1 Contribution to Council Strategy Priorities, Outputs and Outcomes

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

6.2 Finance/Resource implications

There are no additional finance or resource issues that have not been previously highlighted in this report or previously reported to the Committee.

6.3 Legal and governance implications

There are no additional legal and governance issues that have not been previously highlighted in this report or previously reported to the Committee.

6.4 Risk analysis

Acceptance of this report has no 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.

6.5 Increasing satisfaction and service

Deliver of Internal Audit assurance activity will ensure an effective Internal Audit service that adds value to the achievement of organisational objectives through reviewing and suggesting improvements to the Governance, Risk Management and Internal Control Framework.

6.6 Equality impacts

Equality impacts Equality is considered during the Assurance, Risk and Audit activities

6.7 Health and Safety impacts

Acceptance of this report has no health and safety impacts

6.8 Health, wellbeing and community safety impacts

Acceptance of this report has no health, wellbeing and community safety impacts

6.9 Environmental/sustainability impacts

Acceptance of this report has no environmental/sustainability impacts

6.10 Other significant implications

None

Appendices attached to this report

Appendix number	Title of appendix
1	Internal Audit Report - Risk Management
2	Internal Audit Report - Allerdale Waste Services Ltd
3	Internal Audit Report - Council Tax
4	Internal Audit Report - National Non-Domestic Rates
5	Internal Audit Report - Housing Benefits
6	Internal Audit Report - Main Accounting System
7	Internal Audit Report – Treasury Management

Background documents available

Name of background document	Where it is available

Report author(s) and contact officer(s):

Michael Roper
Strategic Advisor – Assurance, Risk & Audit
Michael.Roper@allerdale.gov.uk
07518294374