

Allerdale Borough Council

Audit Committee – 26 September 2022

Internal Audit Progress Report 2022.23 Q2.

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 between July and September 2022/23.

2.0 Recommendations

- 2.1 That progress against the 2022/23 audit report is noted subject to any additional information that the committee may require.
- 2.2 That the proposed KPI are accepted.

3.0 Background and Introduction

- 3.1 A minor re-structuring exercise has been undertaken to the Assurance, Risk and Audit Team. A subsequent successful recruitment exercise means the team is now fully staffed and work has started on delivering the 2022/23 Internal Audit plan.

4.0 Progress

- 4.1 One audit review (undertaken by external contractors in relation to 2021/22) has been finalised since the last progress report and is submitted to the Audit Committee for their consideration, as summarised in the table below:

Review	Assurance Rating	Appendix
Mobile Working	Moderate	1

- 4.2 The 2022/23 Audit plan was approved at the 25th July Audit Committee and is designed to be delivered between July 2022 to March 2023.
- 4.3 Work on planned audits commenced in August 2022 following appointments to the two vacant posts. One review has been completed to draft and four further audits are currently underway, with final reports expected to be presented at the 28 November meeting. Progress against individual items in the plan is detailed in Appendix 2.
- 4.4 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:
- A risk management workshop was facilitated focusing on enhancing Allerdale Waste Services Limited's strategic risk register, which will be reported to the organisation's Board and Shareholder Committee.
 - Attendance at the Council's Programme Board providing feedback and suggested enhancements to the Board's strategic risk register.
 - Commenced reviews of existing service risk register, including addressing recommendations made as part of MIIA's review of risk management.
 - Grant verification work in relation to the Track and Trace Support Payment scheme.
 - Grant verification work in relate to the Protect & Vaccination scheme.

5.0 Implementation of agreed actions.

- 5.1 As per the previous Audit Committee there were 20 agreed actions that had not been confirmed as finalised (recommendations from audits presented to the last Committee are not due to be followed up until Q3). Responsible managers were contacted and asked to provide an update. Findings are included at Appendix 3 and summarised below:
- 14 (70%) agreed actions have been confirmed as fully actioned.
 - 1 (5%) agreed actions were made prior to LGR and are no longer considered efficient or effective to complete.
 - 1 (5%) agreed actions to be reviewed as part of a planned Internal Audit.
 - 4 (20%) agreed actions have been progressed, but are not yet complete
- 5.2 Progress has been made against those recommendations that could not be closed, but additional support has been identified to ensure actions can be fully closed. All outstanding actions will be included in the next follow-up exercise for Q3.

6.0 Internal Audit Plan

- 6.1 The Internal Audit plan approved in July 2022 was based on the previous team structure. Attempts to recruit to this structure were unsuccessful due to shortages in the current employment market.

- 6.2 A restructure was proposed, which was approved by the Senior Management Team, followed by successful recruitment to two full-time Senior Business Support roles. The team will now deliver audits included in the 22/23 plan. The team structure is broadly the same as structures in place at both Carlisle and Copeland, ensuring consistency prior to LGR.
- 6.3 The restructure (offset by a slightly longer than anticipated vacancy period) has resulted in an estimated additional resource of 26 days, taking total available productive days to 280. It is proposed to increase training days by ten days (to support additional induction and training for the new recruits, who are both new to Internal Audit) and retain the balance as contingency. A wider review of audit coverage will be conducted and presented to the November 22 Audit Committee, including any consideration of procuring further third part contractor work (funded from salary savings).
- 6.4 The minor changes to the plan are shown at Appendix 4

7.0 Key Performance Indicators

- 7.1 To provide an effective internal audit service, there needs to be a measure of the performance it achieves. The table below shows proposed KPI for 2022/23 (As work has only recently started on the Internal Audit plan no measure of performance has been taken to date).

Indicator	Target
Planned Audits Completed	90%
Timely Draft Reports (within 3 months of fieldwork starting)	80%
Timely Final Reports (within 8 days of client response)	90%
Recommendations Agreed	95%
Assignments completed within 10% of allocated resource.	60%
Chargeable time	80%
Recommendations implemented	80%

7.0 Implications and Impact

7.1 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

7.2 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.

7.3 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.

7.4 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.

7.5 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.

7.6 Equality impacts

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

7.7 Health and Safety impacts

Acceptance of this report has no health and safety impacts

7.8 Health, wellbeing and community safety impacts

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

7.9 Environmental/sustainability impacts

Acceptance of this report has no environmental/sustainability impacts

7.10 Other significant implications

None

Appendices attached to this report

Appendix number	Title of appendix
1	Internal Audit Report – Mobile Working
2	Progress against Audit Plan (2022/23)
3	Progress against outstanding actions

4	Internal Audit Plan 2022/23 (Revisions)

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