

AGENDA ITEM

REPORT TO AUDIT COMMITTEE 29 NOVEMBER 2021

REPORT OF DIRECTOR OF FINANCE, DEVELOPMENT & BUSINESS SERVICES

CORPORATE RISK REGISTER UPDATE REPORT AND INTERNAL AUDIT ACTIVITY REPORT

SUMMARY

The Committee is reminded that quarterly reports on the Corporate Risk Register are presented for the purpose of reviewing the key risks that have been identified as having the potential to deflect services from achieving their objectives over the next 12 months and beyond. They also set out the actions being taken to ensure that the risks, and possible adverse outcomes, are minimised.

As a reminder, risks are scored on a scale of one to five for both 'impact' and 'likelihood'.

To inform members of the progress of audit testing to date and present a forward plan of testing and the resources available to meet the plan to support the assessment of risk.

RECOMMENDATIONS

It is recommended that:-

1. The current risk position as identified in the attached update report is noted.
2. The audit activity is noted and the proposed areas of work approved.

DETAIL

1. Appendix A provides details of the high level strategic risk register and a current risk score. As this is the strategic risk register it is aligned to the outcomes identified in the Council Plan and may be subject to minor amendment.
2. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. To support this, audit work is aligned to the strategic risk register and activity is structured around the strategic risks of the organisation.
3. The overall summary shows a high level overview of risk scores and a summary of audit results against each risk area. The audit assurance is an indicator of how

well controls to manage risks are operating, however this is an indicator of internal controls and there may be external factors that remain outside of the council's control which may need to be reflected in a higher risk score. We are still in the first year of reporting audit results in this manner therefore not every control has been reviewed, as more controls are reviewed the relationship between assurance levels and the level of risk will become more reliable.

4. Audit testing results breaks down work undertaken in the previous period to provide members with an update on where audit resources have been employed and the results of that work. This will highlight any concerns raised in the period.
5. The next section is a radar graph against key governance themes, this is for all testing undertaken not just in the period. One area of concern is noted in relation to HR clearances, this relates to one specific issue which is being rectified.
6. Planned work identifies the areas to be examined in the next period as required by the Public Sector Internal Audit Standards. We are planning work on a quarterly basis rather than the previous annual basis to enable the service to be more responsive to changing risk.
7. Quality Assurance and Improvement shows a balanced scorecard for the delivery of the audit service. The majority of indicators will be reported annually but the ones shown provide an update on progress against agreed work to date.
8. NFI Progress to date, good progress has been made:

Theme	MATCHES	PROCESSED	
Blue Badge	382	351	92%
Concessionary Travel	615	389	63%
Council Tax Reduction	1116	647	58%
Creditors	2475	2475	100%
Grant Recipient	67	52	78%
Housing Benefits	100	96	96%
Payroll	75	33	44%
Procurement	74		
Resident Parking	2		
Grand Total	4906	4043	82%

	Error	Fraud	Outcomes £	Recovering £
Council Tax	51	0	18,108.17	17,909.11
Benefits	7	0	18,620.46	13,529.13
Total	58	0	36,728.63	31,438.24

FINANCIAL AND LEGAL IMPLICATIONS

None directly

RISK ASSESSMENT

This is a summary of the Council's risk environment.

COMMUNITY STRATEGY IMPLICATIONS

None

CONSULTATION

N/A

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