AGENDA ITEM

**REPORT TO AUDIT COMMITTEE
25 JULY 2022**

**REPORT OF DIRECTOR OF
CORPORATE 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 Information Governance Training, a new platform has been introduced with all staff requiring to undertake refresher training.

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. During the period of the report the service fell short of the portfolio coverage indicator, this is partially due to staff sickness in the section and also the service is currently carrying a vacancy. It is anticipated that minimum targets will be met for the annual report.

8. NFI Progress to date, good progress has been made, previously 82% of matches had been processed:

Theme	MATCHES	PROCESSED	
Blue Badge	382	351	92%
Concessionary Travel	615	614	100%
Council Tax Reduction	1116	660	59%
Creditors	2475	2475	100%
Grant Recipient	67	52	78%
Housing Benefits	100	100	100%
Payroll	53	33	62%
Procurement	74	74	100%
Resident Parking	2		
Grand Total	4884	4359	89%

	Error	Fraud	Outcomes £	Recovering £
Council Tax	60	0	27,222.20	27,023.14
Benefits	7	0	18,620.46	13,529.13
Total	67	0	45,842.66	40,552.27

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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