

AGENDA ITEM

**REPORT TO AUDIT COMMITTEE
26 SEPTEMBER 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.

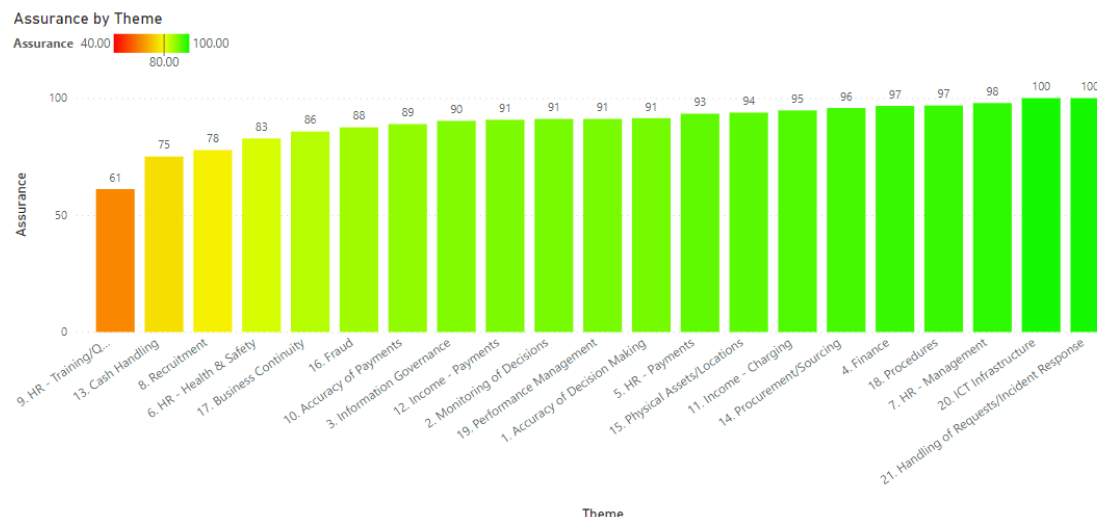
- The overall summary shows a summary of audit results against each risk area. The audit assurance is an indicator of how well controls to manage risks are operating, however this is an indicator of internal controls and there may be external factors that remain outside of the council's control which may need to be reflected in a higher risk score.

Risk	Red	Amber	Green	Total	Assurance
A growing economy			4	4	100.00
Clean and green spaces		2	4	6	78.95
Cohesive and safe communities		2	11	13	93.62
Dedicated and resourceful employees		5	19	24	86.76
Education and skills development		5	17	22	88.71
Financially sustainable and value for money		9	68	77	94.85
Great places to live and visit	2	5	32	39	88.85
Job creation and increased employment			2	2	100.00
People are supported and protected from harm	4	12	60	76	87.60
People live healthy lives	1		11	12	89.83
Rich cultural experiences			4	4	100.00
Strong leadership and governance	5	11	89	105	90.08
Total	12	51	321	384	90.14

- 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.

Risk	Red	Amber	Green	Total
A growing economy			1	1
Education and skills development			2	2
Financially sustainable and value for money			14	14
Great places to live and visit	1		3	4
People are supported and protected from harm		2	6	8
People live healthy lives			4	4
Rich cultural experiences			1	1
Strong leadership and governance	3	1	17	21
Total	4	3	48	55

- The next section is a 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, good progress is being made with the current figure at 90% completion, however this is short of the overall target of 95%.



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.

Impact Risk	1		2		3		4		5		Total	
	Number	Time	Number	Time	Number	Time	Number	Time	Number	Time	Number	Time
A growing economy			3	1.75	2	1.50	1	0.50			6	3.75
Clean and green spaces	2	0.75									2	0.75
Cohesive and safe communities			7	5.00	3	2.00	2	3.50			12	10.50
Dedicated and resourceful employees			2	0.75	3	2.50	1	0.50			6	3.75
Education and skills development			4	2.00	3	6.50	4	2.50	1	0.25	12	11.25
Financially sustainable and value for money	1	0.25	15	15.00	8	12.50	5	5.00	5	3.00	34	35.75
Great places to live and visit			5	4.50	9	7.25	1	1.00			15	12.75
Job creation and increased employment			1	1.00			1	1.00			2	2.00
People are supported and protected from harm			7	6.50	23	23.50	17	20.25	13	15.25	60	65.50
People live healthy lives					1	0.50	5	4.25			6	4.75
Rich cultural experiences			4	2.00	2	2.00					6	4.00
Strong leadership and governance	1	1.00	9	8.75	14	19.50	4	5.00	3	6.00	31	40.25
Total	4	2.00	57	47.25	68	77.75	41	43.50	22	24.50	192	195.00

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. The level of adequate resources is calculated after staff time is adjusted to allow for Annual Leave, Bank Holidays and a reasonable amount of Admin Time. 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.

Quality, Assurance & Improvement Process

Period Covered	July 2022	to	August 2022
Planned Period	September 2022	to	October 2022

Stewardship (Coverage)		
Measure	Target	Performance
Adequate Resources (Planned Period)	15	23.1
Portfolio Coverage (Period)	56	55
Presentation of Annual Report (Annual)	June	*
Presentation of Activity Report	Qtrly	*

Stakeholders		
Measure	Target	Performance
Reports Issued	Qtrly	*
Fraud Strategy Review	31/03/2021	*
Client Satisfaction	TBC	*
Recommendation Implementation	TBC	*

Process		
Measure	Target	Performance
Self assessment against standards (Annual)	March	*
External Assessment (Every 5 Years)	31/03/2023	*
Staff Meetings Held (Period)	4	7
Up to Date Audit Manual	31/03/2021	*

People		
Measure	Target	Performance
Productivity (Period)	75%	64.4%
Training (Per Financial Year)	20	*
Code of Conduct (Annual)	100%	*
Appraisals (Annual)	100%	*

* - Results to be reported in the annual report

8. NFI Progress to date, good progress has been made, previously 89% 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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