

**AGENDA ITEM**

**REPORT TO AUDIT COMMITTEE  
23 MARCH 2023**

**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**

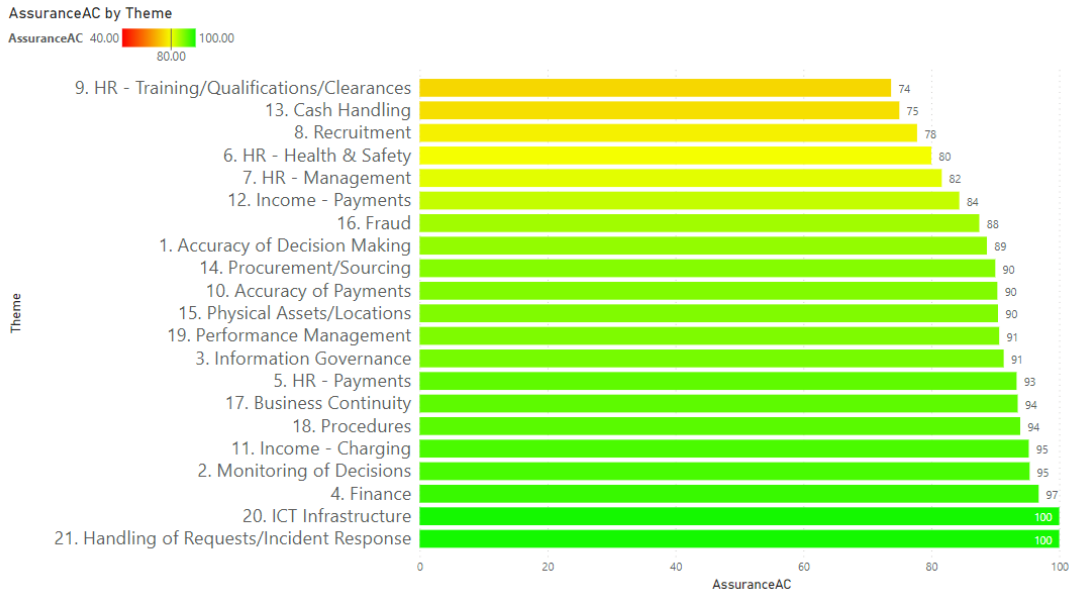
1. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, 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.
2. 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			9	9	100.00
Clean and green spaces		2	5	7	80.00
Cohesive and safe communities		2	16	18	95.31
Dedicated and resourceful employees		4	24	28	92.77
Education and skills development		2	23	25	97.22
Financially sustainable and value for money		11	73	84	94.52
Great places to live and visit	2	6	34	42	88.14
Job creation and increased employment		1	2	3	90.00
People are supported and protected from harm	7	12	65	84	84.64
People live healthy lives	1		13	14	91.18
Rich cultural experiences			5	5	100.00
Strong leadership and governance	4	15	91	110	89.29
<b>Total</b>	<b>14</b>	<b>55</b>	<b>360</b>	<b>429</b>	<b>90.08</b>

- 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. Six red Controls have been identified, 2 relate to information governance training, this is an improved position than has been reported previously, 1 relates to the availability of fit notes, 1 relates to a backlog in case supervisions, 1 relates to a backlog in care package reviews, the final one was reported at the last meeting in relation to the availability of emergency placements.

Risk	Red	Amber	Green	Total
A growing economy			6	6
Cohesive and safe communities			6	6
Dedicated and resourceful employees			4	4
Education and skills development			6	6
Financially sustainable and value for money			3	20
Great places to live and visit	1	1	7	9
Job creation and increased employment			1	1
People are supported and protected from harm	2	2	20	24
People live healthy lives			3	3
Strong leadership and governance	3	5	20	28
<b>Total</b>	<b>6</b>	<b>12</b>	<b>92</b>	<b>110</b>

- The next section is a graph against key governance themes, this is for all testing undertaken not just in the period. One area previously identified as an area of concern has seen some improvement in relation to Information Governance Training, the assurance level has increased from 62% to 74% so progress is being made. All themes are now showing as being above 70% assurance.



- 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	2		3		4		5		Total	
	Number	Time	Number	Time	Number	Time	Number	Time	Number	Time
Clean and green spaces	1	0.25							1	0.25
Cohesive and safe communities	2	1.50			1	3.00			3	4.50
Dedicated and resourceful employees			2	2.00					2	2.00
Education and skills development	1	3.00	2	1.50					3	4.50
Financially sustainable and value for money	6	5.00	2	3.25	2	3.00	1	1.00	11	12.25
Great places to live and visit	2	0.75	6	4.25					8	5.00
Job creation and increased employment					1	1.00			1	1.00
People are supported and protected from harm	8	6.50	12	11.00	11	13.50	1	3.00	32	34.00
People live healthy lives	3	1.75			1	1.00			4	2.75
Rich cultural experiences	1	0.50	1	1.00					2	1.50
Strong leadership and governance	6	7.00	6	6.25	4	5.00	1	0.25	17	18.50
<b>Total</b>	<b>30</b>	<b>26.25</b>	<b>31</b>	<b>29.25</b>	<b>20</b>	<b>26.50</b>	<b>3</b>	<b>4.25</b>	<b>84</b>	<b>86.25</b>

- 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 was marginally below the portfolio coverage indicator.

Quality, Assurance & Improvement Process

Period Covered	November 2022	to	March 2023
Planned Period	March 2023	to	May 2023

Stewardship (Coverage)		
Measure	Target	Performance
Adequate Resources (Planned Period)	15	38.6
Portfolio Coverage (Period)	115	110
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 (Ann	March	*
External Assessment (Every 5 Years)	31/03/2023	*
Staff Meetings Held (Period)	9	15
Up to Date Audit Manual	31/03/2021	*

People		
Measure	Target	Performance
Productivity (Period)	75%	73.7%
Training (Per Financial Year)	20	*
Code of Conduct (Annual)	100%	*
Appraisals (Annual)	100%	*

\* - Results to be reported in the annual report

- NFI Progress – We have now submitted the datasets and have now received the results, matches are with the relevant departments for review.

## 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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