

**AGENDA ITEM**

**REPORT TO AUDIT &  
GOVERNANCE COMMITTEE  
27 NOVEMBER 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
			2	2	100.00
A growing economy		1	8	9	92.11
Clean and green spaces		2	6	8	86.36
Cohesive and safe communities		2	19	21	95.95
Dedicated and resourceful employees		1	25	26	98.72
Education and skills development	1		24	25	97.17
Financially sustainable and value for money		9	69	78	94.55
Great places to live and visit	2	7	26	35	85.71
Job creation and increased employment		1	2	3	90.00
People are supported and protected from harm	4	6	72	82	92.30
People live healthy lives	1	1	9	11	86.84
Rich cultural experiences			6	6	100.00
Strong leadership and governance	4	19	90	113	87.90
<b>Total</b>	<b>12</b>	<b>49</b>	<b>358</b>	<b>419</b>	<b>91.61</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. There have been 2 Red controls identified in the period. The first relates to the achievement of recycling targets, this has previously been reported as red, the second is a new control relating to how learners are recorded by the Learning & Skills service in relation to funding.

Risk	Red	Amber	Green	Total
A growing economy		1	1	2
Clean and green spaces			1	1
Cohesive and safe communities			5	5
Dedicated and resourceful employees			6	6
Education and skills development	1		4	5
Financially sustainable and value for money		1	14	15
Great places to live and visit	1		5	6
People are supported and protected from harm		1	23	24
People live healthy lives			4	4
Rich cultural experiences			3	3
Strong leadership and governance		6	25	31
<b>Total</b>	<b>2</b>	<b>9</b>	<b>91</b>	<b>102</b>

- The next section is a graph against key governance themes, this is for all testing undertaken not just in the period. With all areas showing as 75% or higher there are no issues to bring to members attention.



- 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 Very Low		2 Low		3 Medium		4 High		5 Very High		Total	
	Number	Time	Number	Time	Number	Time	Number	Time	Number	Time	Number	Time
A growing economy					4	2.75	2	1.50			6	4.25
Clean and green spaces	1	0.50					1	0.50			1	0.50
Cohesive and safe communities	1	0.50	2	1.50	2	3.00	2	3.50			7	8.50
Dedicated and resourceful employees			2	1.25	5	3.50	1	0.50			8	5.25
Education and skills development			1	0.50	6	11.50	4	2.50	1	0.25	12	14.75
Financially sustainable and value for money	2	1.50	16	9.75	8	16.00	1	1.00	3	2.50	30	30.75
Great places to live and visit	2	1.00	2	0.75	9	8.75					13	10.50
Job creation and increased employment			1	0.50							1	0.50
People are supported and protected from harm			2	1.50	11	12.75	9	7.50	4	5.00	26	26.75
People live healthy lives							3	4.25			3	4.25
Rich cultural experiences			1	2.00							1	2.00
Strong leadership and governance			12	7.25	17	11.00	6	3.00	4	4.75	39	26.00
<b>Total</b>	<b>6</b>	<b>3.50</b>	<b>39</b>	<b>25.00</b>	<b>62</b>	<b>69.25</b>	<b>29</b>	<b>24.25</b>	<b>12</b>	<b>12.50</b>	<b>148</b>	<b>134.50</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.

## Quality, Assurance & Improvement Process

Period Covered	August 2023	to	October 2023
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Stewardship (Coverage)		
Measure	Target	Performance
Adequate Resources (Next 3 Months)	15	19
Portfolio Coverage (Period)	88	102
Presentation of Annual Report (Annual)	June	*
Presentation of Activity Report	Qtrly	*

Stakeholders		
Measure	Target	Performance
Reports Issued	Qtrly	*
Fraud Strategy Review	31/03/2022	*
Client Satisfaction	TBC	*
Recommendation Implementation	TBC	*

Process		
Measure	Target	Performance
Self assessment against standards (Annual)	March	*
External Assessment (Every 5 Years)	March 2023	*
Staff Meetings Held (Period)	6	12
Up to Date Audit Manual	March 2023	*

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

\* - To be reported as part of annual report

7. NFI Progress – 91% of matches have been checked. No fraud and have been identified and only 1 error identified. This provides another source of assurance that our controls are operating effectively.

REPORT THEME	Sum of MATCHES	Sum of PROCESSED	
Blue Badges	507	444	88%
Concessionary Travel	511	510	
Council Tax Reduction Scheme	356	81	
Creditors	2641	2641	
Housing Benefits	29	4	
Payroll	54	32	
Procurement	59	59	
Residents Parking	6	5	
<b>Grand Total</b>	<b>4163</b>	<b>3776</b>	<b>91%</b>

### FINANCIAL AND LEGAL IMPLICATIONS

None directly

## **RISK ASSESSMENT**

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

## **COUNCIL PLAN IMPLICATIONS**

None

## **CONSULTATION**

N/A

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