

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 6 September 2023
<b>Subject:</b>	Risk and Audit Service Performance		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

### Summary:

This report details the performance and key activities of the Risk and Audit Service for the period 1 July 2023 to 31 August 2023.

The report also discusses the resourcing position across the Team as well as in particular the Internal Audit Team, the response and the actions planned for the rest of the financial year including a revised internal audit plan for 2023/24.

### Recommendation(s):

Members are requested to:

- (1) Note the progress on the 2023/24 Internal Audit Plan to 31 Aug 2023.
- (2) Approve the revised Internal Audit Plan for 2023/24
- (2) Note the contributions made by the Health and Safety, Insurance, Assurance and Risk and Resilience teams in facilitating the management of the Council's key risks

### Reasons for the Recommendation(s):

Approval of the recommendations will facilitate the continued provision of a comprehensive and effective Risk and Audit Service.

**Alternative Options Considered and Rejected:** (including any Risk Implications)  
None

### What will it cost and how will it be financed?

**(A) Revenue Costs** - There are no direct financial implications, outside of the approved budget for the function, arising from this report. However, the Council benefits

from the work of the section in reducing the impact and likelihood (and so the cost) of risk.

**(B) Capital Costs** - There are no capital costs arising from this report.

**Implications of the Proposals:**

<p><b>Resource Implications (Financial, IT, Staffing and Assets):</b>          The report outlines the current recruitment activity across the Risk and Audit Team to appoint to existing positions. In addition, the report outlines that a revised Internal Audit plan has been drafted for Members, to approve, to reflect that proposed planned internal resources for the internal audit team from Financial Management will not now take place in 2023/24.</p>									
<p><b>Legal Implications:</b>          There are no specific legal implications from the report.</p>									
<p><b>Equality Implications:</b>          There are no equality implications.</p>									
<p><b>Impact on Children and Young People:</b>          There are no direct implications in the report for Children and Young People.</p>									
<p><b>Climate Emergency Implications:</b></p> <p>The recommendations within this report will</p> <table border="1"> <tr> <td>Have a positive impact</td> <td>Yes</td> </tr> <tr> <td>Have a neutral impact</td> <td>No</td> </tr> <tr> <td>Have a negative impact</td> <td>No</td> </tr> <tr> <td>The Author has undertaken the Climate Emergency training for report authors</td> <td>Yes</td> </tr> </table> <p>The Risk and Audit Team has been working mainly from home with exception of the Health and Safety Team who undertake periodic inspections of Council buildings to provide guidance and support.</p> <p>The working from home has reduced the teams commuting and therefore carbon footprint. The revised working practices will continue with the Council’s agile working policy although the footprint will slightly increase at this point as staff move back to the office at an agreed frequency.</p> <p>We are currently exploring with the Council’s insurers and broker their actions to reduce Climate Change which we will respond on in future reports following renewal when the information is available. One of the audits within the 2022/23 approved audit plan as well as 2023/24 is Climate Change which will provide assurance on the Council’s response to the Climate Emergency as the issue is a corporate strategic risk</p>		Have a positive impact	Yes	Have a neutral impact	No	Have a negative impact	No	The Author has undertaken the Climate Emergency training for report authors	Yes
Have a positive impact	Yes								
Have a neutral impact	No								
Have a negative impact	No								
The Author has undertaken the Climate Emergency training for report authors	Yes								

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: Providing an effective assurance service and assisting with
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<p>the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>
<p>Facilitate confident and resilient communities: Providing an effective assurance service and assisting with the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>
<p>Commission, broker and provide core services: Providing an effective assurance service and assisting with the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>
<p>Place – leadership and influencer: Providing an effective assurance service and assisting with the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>
<p>Drivers of change and reform: Providing an effective assurance service and assisting with the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>
<p>Facilitate sustainable economic prosperity: Providing an effective assurance service and assisting with the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>
<p>Greater income for social investment: Providing an effective assurance service and assisting with the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>
<p>Cleaner Greener: Providing an effective assurance service and assisting with the embedding of risk management within the service areas delivering the Council's core purpose will help to ensure that the appropriate risks and controls are identified and in the case of controls are operating as designed. This approach will help to ensure that the Core Purpose is delivered.</p>

**What consultations have taken place on the proposals and when?**

## **(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD..7355/23....) and the Chief Legal and Democratic Officer (LD5555/23 .) have been consulted and any comments have been incorporated into the report.

## **(B) External Consultations**

None

## **Implementation Date for the Decision**

Immediately following the Committee / Council meeting.

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## **Appendices:**

The following appendices are attached to this report:

- Risk and Audit Service Performance Report

## **Background Papers:**

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

- Internal Audit Plan 2022/23 (as approved by this Committee on 16 March 2022).
- Revised Internal Audit Plan 2022/23 (as approved by this Committee on 14 December 2022)
- Internal Audit Plan 2023/24 (as approved by this Committee on 15 March 2023)

## **1. Introduction**

1.1 The Risk and Audit Service is managed by the Chief Internal Auditor, who reports to the Executive Director of Corporate Resources and Customer Services through the Finance Service Manager.

1.2 The mission of the service is “to deliver a first-class risk and audit service that is highly respected and valued by Sefton and is the envy of our peers”.

1.3 The Service has the following objectives:

- To lead the Council in embedding a system of internal control and risk management that facilitates the achievement of the organisation’s objectives.
- To be a valued corporate influence in promoting the due consideration of risk in Council decisions, strategies, and plans.
- To align the service with the Council’s changing needs.

1.4 In delivering this mission and objectives, the Service encapsulates the following teams:

- Internal Audit
- Health and Safety
- Insurance
- Risk and Resilience
- Assurance

1.5 This report summarises the main aspects of the performance of the Service during the period 1 July 2023 to 31 August 2023, and gives members a detailed overview of the following areas:

- Internal Audit:
  - o work undertaken in the period, including a summary of work and an outline of the high priority recommendations made
  - o performance against Key Performance Indicators
  - o developments relating to this part of the Service
- Health and Safety, Insurance, Assurance and Risk and Resilience:
  - o work undertaken in the period, with key data provided
  - o developments relating to these parts of the Service

1.6 The report concludes by looking ahead to the forthcoming activities being undertaken by the service.