

## AUDIT AND GOVERNANCE COMMITTEE

24 September 2021

### RISK AND ASSURANCE MAP UPDATE – 2021/22

#### Report of the Assistant Director of Business and Property Services

#### 1. Purpose of Report

- 1.1 To enable the Audit and Governance Committee to consider:
- the updated Risk and Assurance Map and supporting Strategic and Corporate Risk Profiles based on assurances gathered from a range of sources;
  - work undertaken by the audit, risk and assurance service during the year to date; and
  - the performance of Internal Audit.
- 1.2 The report covers work undertaken for the Council and Council owned companies.

#### 2. Description of Decision

- 2.1 The Audit and Governance Committee are asked to note and consider the report.

#### 3. Background/Introduction

- 3.1 In April 2021 the Committee agreed the Risk and Assurance Map and Strategic and Corporate Risk Profiles for 2021/22. Both the Strategic and Corporate Risk Profiles have been updated as well as the Risk and Assurance Map following consultation with Chief Officers and relevant key officers. The 'X's in the assurance columns show where assurance is expected to be received from in the current financial year.

#### 4. Risk and Assurance Map

- 4.1 The Risk and Assurance Map at Appendix 1 has been updated to reflect any changes to both the Strategic and Corporate Risk Profiles and these are described in more detail in paragraphs 4.2 and 4.3 below.

##### Strategic Risk Areas

- 4.2 The top section of the Map relates to the strategic risks identified in the Strategic Risk Profile, attached at Appendix 2. All changes to the Strategic Risk Profile are shown in red text for ease of reference. There are a number of updates to the description of the risk, causes, impacts and mitigating actions. Key changes are as follows:

- The risk score and assurance position in relation to risk R08 *'The Council is not able to fulfil its statutory responsibility for Children and Young People and also ensure families are supported to enable them to achieve their desired outcomes'*

have been updated in response to the recent OFSTED inspection of Together for Children Ltd which gave an 'Outstanding' rating. The current risk score has been reduced to 4 (Green) and the assurance position has also been moved to Green. This is shown on the Risk and Assurance Map against the Strategic Risk Area '*Access to equitable opportunities and life chances*'.

- An additional risk has been added at R12 described as '*The introduction of a statutory Integrated Care System with a regional Integrated Care System (ICS) Health and Care Partnership, covering the North East and Cumbria may reduce the resources available in Sunderland for Health and Social Care*'. The current risk score is assessed as 9 (Red), as it is currently unclear what impact the new arrangements will have on the funding available for social care in Sunderland.

#### Corporate Risk Areas

- 4.3 The middle section of the Map shows the cumulative risk assessments and the assurance levels relating to the risks identified in the Corporate Risk Profile, attached at Appendix 3. There have been no changes to the Corporate Risk Profile.

#### Council Owned Companies

- 4.4 The bottom section of the Map shows the Assurance position in relation to Companies that are wholly owned by the Council and are part of the group for the financial statements.
- 4.5 As mentioned above the positive OFSTED result has resulted in the overall risk rating and assurance position moving to Green for Together for Children Ltd.
- 4.6 The Internal Audit Opinion for Siglion LLP has been updated due to the positive results of a recent audit and is now Green. The assurance provided by Financial Resources in relation to the financial arrangements for the Company is substantial so is also shown on the Risk and Assurance Map as Green. Both of these have resulted in the overall assurance position for the Company moving from Amber to Green.

#### Assurance from Internal Audit

- 4.7 The audits to be carried out this year and the detailed results of completed Internal Audit work is shown at Appendix 4, with the summary outcomes shown on the Map.
- 4.8 Appendix 4 shows all of the opinions, including those from previous years, which have been considered in determining the overall assurance level for the new Strategic and Corporate Risk Areas and Council Owned Companies. Those audits shown in grey are those in previous years where it became not appropriate to complete the audit at that time. In the current year Internal Audit has lost two long serving employees for which recruitment has been unsuccessful so far. This has resulted in completion of the audit plan being behind where it would be expected at this point in the year. Another recruitment exercise will be undertaken this month and additional resources will also be procured to help delivery of the audit plan for the year.

### Assurance from Risk and Assurance Team

- 4.9 Areas that the Risk and Assurance Team are currently involved in are shown below. Much of their work is ongoing over a period of time, however, where ongoing assurance can be provided from their work this is shown on the Map. Assurance work within the last quarter has included:

- Risk management work in relation to the Covid 19 pandemic.
- Risk Management work in relation to the potential impacts of EU Exit.
- Major capital schemes such as the delivery stage of the SSTC Phase 3, the International Advanced Manufacturing Park, and the City Centre developments.
- Move to the new City Hall, including construction and new ways of working.
- National Fraud Initiative data matching exercise.

### Assurance from others within the Council

- 4.10 Assurance provided from others within the Council is shown in the Risk and Assurance Map.

### Assurance from Management

- 4.11 Arrangements are in place to obtain assurance from senior managers for all service areas within the Council through an annual governance questionnaire which has been undertaken for 2020/21.

### Assurance from External Sources

- 4.12 The Map includes assurance from relevant external sources. Changes since the last report are in relation to the recent positive OFSTED inspection.

### Overall

- 4.13 The overall assurance levels are either green or amber. The Risk and Assurance Map, Strategic and Corporate Risk Profiles were recently considered by the Chief Officers and the issues raised above highlighted.

## **5. Internal Audit Performance**

- 5.1 The performance in relation to targets set for Internal Audit is shown at Appendix 5. All KPIs are on target.

## **6. Conclusion**

- 6.1 Results of the work undertaken so far during the year have not highlighted any issues which affect the overall opinion that the Council continues to have in place an adequate system of internal control.

## **7. Recommendation**

- 7.1 The Audit and Governance Committee are asked to note and consider the report.

