AUDIT AND GOVERNANCE COMMITTEE   **24 July 2020**

RISK AND ASSURANCE MAP 2020/2021

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 proposed Risk and Assurance Map and the supporting plans of work for the Internal Audit and Risk and Assurance teams for 2020/21;

*   Internal Audit's key performance measures and targets for 2020/21.

1.2   The report covers work undertaken for the Council and Council owned companies.

2.   Current Position

2.1   In February 2020, the Audit and Governance Committee was asked for its comments in relation to a range of potential areas of work to support the Risk and Assurance Map for the coming year. Due to the Covid-19 outbreak committee meetings were cancelled temporarily, therefore no meeting was held in April 2020 to present the proposed risk and assurance map and planned work for the year.

2.2   As a result of the outbreak the Internal Audit Service was temporarily stood down to enable staff to be redeployed to support the response and critical functions as required. For the first three months of the year the Internal Auditors have undertaken a range of work to support the Council as follows:

*   Supporting the Council's management of the specific risks caused by the outbreak.

*   Supporting the Emergency Planning and Business Continuity service in its response to the outbreak, particularly in relation to identifying and monitoring the significant additional requirements for Personal Protective Equipment.

*   Undertaking counter fraud checks on the applications for the funding received to support businesses in the City.

*   Gathering assurances for the monthly reporting in relation to the business support funding.

- Supporting the assessment and undertaking counter fraud checks on the applications for the discretionary business support funding.

2.3   This report presents the Risk and Assurance Map for 2020/21 and sets out where assurance will be obtained from, including the plans of work for Internal Audit and the Risk and Assurance team. Due to the ongoing nature of the Covid 19 outbreak, the possibility of further lockdowns and changes to how services may be delivered there is a possibility that the work planned for the year will need to change to reflect the risks being faced at the time. Quarterly update reports will continue to be provided to Members throughout the rest of the year.

2.4   The Covid 19 outbreak has undoubtedly had a significant impact on the City and its residents and some of the challenges already being faced will be more difficult to address. As a result, the City Plan is being reviewed and the Strategic Risk Profile will need to be updated to reflect this. The updated Strategic Risk Profile will be presented to a future meeting of this committee. The impacts of Covid 19 will also be reflected in the Corporate Risk Profile.

3.   Recommendation

3.1   The Audit and Governance Committee is invited to note and consider the report.

Risk and Assurance Map 2020/21

1.   Introduction

1.1   In order for the Council to ensure that it has robust arrangements for delivering its priorities, managing its affairs and completing its Annual Governance Statement with some certainty, it must have in place three key elements: good Governance, Risk Management and Assurance. The Council's Integrated Risk and Assurance Framework provides a comprehensive view on the arrangements in place within the Council.

1.2   This Framework enables assurances to be sourced from service management, corporate functions with an oversight role, internal audit and external sources (e.g. external audit / inspectorates) in relation to key risk areas

2.   Risk and Assurance Map

2.1   The proposed Risk and Assurance Map for 2020/21 is shown at Appendix 1. This highlights those areas for which assurance will be provided, where the assurance is expected to be obtained from and the current assurance level based on work undertaken previously.

2.2   As previously, the Map is split into three parts, Strategic Risk Areas which align with the Corporate Plan priorities, Corporate Risk Areas which represent the risk areas that need to be managed for the Council to maintain a strong system of internal control, and companies owned by the Council.

2.3   Where assurance is expected to be provided from a particular source this is marked with an X. As in previous years the level of assurance provided will be updated based on the results of the work undertaken within the area and the assurance gathered from the various sources.

2.4   The Map has been prepared based on the work undertaken and reported previously and the planned activity has been developed in consultation with the Chief Executive, all Executive and Corporate Directors and key senior officers across the Council. The current assurance position in relation to all key risk areas is either Amber or Green, with the exception of Children's Services.

2.5   The work to be undertaken by Internal Audit and the Risk and Assurance team in support of the Map is shown at Appendix 2. The appendix shows all of the work that contributes to providing assurance against each risk area (some work provides assurance to more than one risk area).

2.6   The work to be undertaken by the Risk and Assurance Team is a high level plan as much of the work of the team cannot be planned in detail. The team will be involved in providing support, challenge and assurance to the major projects ongoing, especially those which contribute to the Council achieving its strategic priorities.

3. Key Areas of Activity

3.1   As in previous years the level of change ongoing within the Council continues to be significant and the pressure to deliver the Council's Strategic Priorities and budget savings. The Strategic Risk Profile is driven by the City Plan and will be updated once the City Plan has been reviewed and the impact of the Covid 19 outbreak assessed.

3.2   The work of the Risk and Assurance team includes obtaining assurance on the progress in relation to the actions identified to manage risks in the Strategic and Corporate Risk Profiles. Key areas of work for the team are as follows:

- Supporting the Council's recovery from the Covid 19 outbreak and management of the resultant risks.

- Economic regeneration such as the International Advanced Manufacturing Park, Housing Infrastructure Funding, and the SSTC phase 3.

- Upgrade to the ICT provision to support more agile working.

- Supporting the Council's rollout of assistive technologies to help people live more independently.

- The planned move to the new City Hall, which will require different ways of working as well as a change in location.

- Development of the Council's new Housing Service.

3.3   Internal audit work will include the following:

- ICT disaster recovery and business continuity given the increased reliance on ICT for agile working.

- Following the introduction of the new Housing Service the governance arrangements and regulatory framework will be reviewed.

- Audit in relation to safeguarding of vulnerable adults and the use of assistive technologies to help people live independently will be undertaken.

- A range of audits of the Council's financial systems will be undertaken in line with an agreed 5 year rolling plan.

- Each of the Council's companies has their own audit plan, the results of which feed into the risk and Assurance Map.

3.4   Counter Fraud work will continue based on an assessment of fraud risks and also in response to funding received to support the Covid 19 response.

4.   Internal Audit

4.1   The Key Performance Indicators and targets that Internal Audit aim to achieve are attached at Appendix 3. The targets remain the same as the previous year.

4.2.   It is confirmed that the internal auditors undertaking the work continue to remain independent of the areas audited.

5.   Reporting Protocols

5.1   Progress reports will be presented to the Committee during the year. The reports will indicate the level of assurance provided and any major findings arising from the work undertaken. Any areas requiring improvement will be highlighted to Members for them to consider and highlighted to the relevant Executive Director.

5.2   An Annual Report (including the year end Risk and Assurance Map) will be prepared for the Chief Officers Group and Audit and Governance Committee in order to provide assurance or otherwise and enable the Annual Governance Statement to be completed.