

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	25 May 2021
Subject:	Internal Audit Annual Report 2020-21
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Nature and Reason for Reporting: The Public Sector Internal Audit Standards require the chief audit executive to produce an Internal Audit Annual Report.	

1. Introduction

- 1.1. The Public Sector Internal Audit Standards (PSIAS) require the 'chief audit executive' to deliver an annual internal audit opinion and report that the organisation can use to inform its governance statement. This Committee's terms of reference also require it to consider the annual report of the internal auditors.
- 1.2. This report provides the Committee with the Internal Audit Annual Report for 2020-21, which provides the Head of Audit and Risk's overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control during the year.

2. Recommendation

- 2.1. That the Committee considers and comments on the Head of Audit and Risk's annual report and overall 'opinion'.



INTERNAL AUDIT ANNUAL REPORT 2020-21

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May 2021

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FOREWORD – CURRENT CONTEXT

The impact of COVID-19 on all the public services has been considerable and for internal auditors it raised the question of whether they would be able to undertake sufficient internal audit work to gain assurance during 2020-21.

This is a key consideration to fulfil the requirement of the Public Sector Internal Audit Standards (PSIAS) where the Head of Internal Audit is required to issue an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion is one of the sources of assurance that the Council relies on for its Annual Governance Statement.

CIPFA¹ recognised that local government bodies were struggling with considerable challenges and were having to make difficult decisions on how best to use their available staff and financial resources to meet critical needs. Meanwhile, there was no change to the professional and regulatory expectations on local government bodies to ensure that their internal audit arrangements conformed to PSIAS.

CIPFA therefore, during December 2020, published sector specific guidance for internal auditors working in or for local government in the UK; it set out and discussed in detail six key requirements for local government bodies that heads of internal audit, leadership teams and audit committees ought to follow in order for the organisation to meet their assurance needs.

Following consultation with the Senior Leadership Team (SLT) to take into account the CIPFA guidance and to revise and agree the internal audit team's priorities to cover the new risks and changes from the impact of COVID-19, the Head of Audit and Risk submitted a report to the Governance and Audit Committee in February 2021. It outlined the provisions that would be made, while taking into account capacity issues, to obtain sufficient assurance to support the annual opinion.

¹ CIPFA is the Relevant Internal Audit Standard Setter (RIASS) for local government and works with the other UK RIASS to mandate the PSIAS across the public sector.

INTRODUCTION

The Public Sector Internal Audit Standards (PSIAS) require the 'chief audit executive', in the Council's case the Head of Audit and Risk, to deliver an annual internal audit opinion that the organisation can use to inform its Annual Governance Statement².

The annual opinion must include:

- An opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes
- Disclose any qualifications to that opinion, together with the reason for the qualification
- Present a summary of the audit work from which the opinion is derived, including reliance placed on other assurance bodies
- Draw attention to any issues the chief audit executive judges particularly relevant to the preparation of the Annual Governance Statement
- Summarise the performance of the internal audit function against its performance measures
- Comment on compliance with the PSIAS and communicate the results of the Internal Audit quality assurance programme.

² The Accounts and Audit (Wales) Regulations 2014 requires a review of governance arrangements to be reported within the authority, in the Council's case, the Governance and Audit Committee, and externally in the published accounts. The Annual Governance Statement (AGS) is an annual review of the systems of internal control and gathers assurance from various sources to support it. Internal Audit is a key contributor and the Head of Audit and Risk provides a written annual report to those charged with governance to support the AGS.

INTERNAL AUDIT OPINION

Head of Internal Audit Opinion 2020-21

For the 12 months ended 31 March 2021, the Isle of Anglesey County Council's Head of Audit and Risk's opinion is that the organisation has an adequate and effective framework for risk management, governance and internal control.

While I do not consider any areas of significant corporate concern, some areas require the introduction or improvement of internal controls to ensure the achievement of objectives, and these are the subject of monitoring.

There are no qualifications to this opinion.

BASIS OF MY OPINION

Scope

I have reached my opinion by considering the work and activities we have carried out during the year, discussed further below. The opinion does not imply that we have reviewed all risks and assurances relating to the Council. It is substantially derived from the setting of a risk-based plan of work, which management have agreed and the Governance and Audit Committee have approved. It should provide a reasonable level of assurance, subject to the inherent limitations [below](#) and to the [report](#) submitted to the Governance and Audit Committee in February 2021 and discussed in the [Foreword - Current Context](#) above.

Limitations

The matters raised in this report are only those that came to our attention during the course of our work and activities within the Council. They are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Neither this report, nor our work, should be taken as a substitute for management's responsibilities for the application of sound internal control practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist.

Assurance³

Key to being able to obtain sufficient assurance to inform the opinion was to take into account both internal audit work and other sources of assurance:

Internal Audit Work

- Corporate risk register audits (informed by the risk-based audit strategy)
- Review of COVID-19 Emergency Response (Self-Assessment) and Follow Up - completed between April and June 2020

³ Definitions of assurance ratings in place during 2020-21 can be found at [Appendix A](#)

- Other audit work
- Mandatory audits of grants

Corporate Risk Register Audits

During 2020-21, seven additional risks were rated as having a red or amber residual risk rating on the corporate risk register, raising the total from 13 in 2019-20 to 20 in 2020-21. We reviewed 20% of these during 2020-21 (34% over a 36-month rolling period).

We reviewed five out of the seven (71%) corporate risks with a red residual rating over a 24-month rolling period. We audited some risks more than once in the 36-month period, undertaking 13 audits of specifically corporate risk register audits. ([Appendix B](#) refers).

We were able to provide '**Reasonable**' assurance that the Council was effectively managing all but two of the corporate risk register risks we reviewed. We were only able to provide '**Limited**' assurance for IT Resilience and IT Service Continuity (Phishing) audits, but when revisiting the IT Resilience 'Issues/Risks' later in the year, we were able to increase the assurance to '**Reasonable**'.

Review of COVID-19 Emergency response arrangements

Early in the emergency, the Deputy Chief Executive, on behalf of the Emergency Management Response Team (EMRT), commissioned Internal Audit to provide assurance that the Council's emergency response arrangements were safe, robust, effective and fit for purpose.

We reported the outcome of our work in two parts, giving '**Reasonable**' assurance for each and raising six 'Issues/Risks', to be addressed by the EMRT. We reviewed these 'Issues/Risks' a month later and were able to report that all had been addressed.

Other audit work

We also reviewed other key areas of the Council's activities, including areas where the Director of Function (Resources) and Section 151 officer and SLT had raised concerns ([Appendix C](#) refers).

Of the nine audits of this type we finalised during 2020-21, we gave five **'Reasonable'** assurance for the arrangements for governance, risk management and internal control and four **'Limited'** assurance.

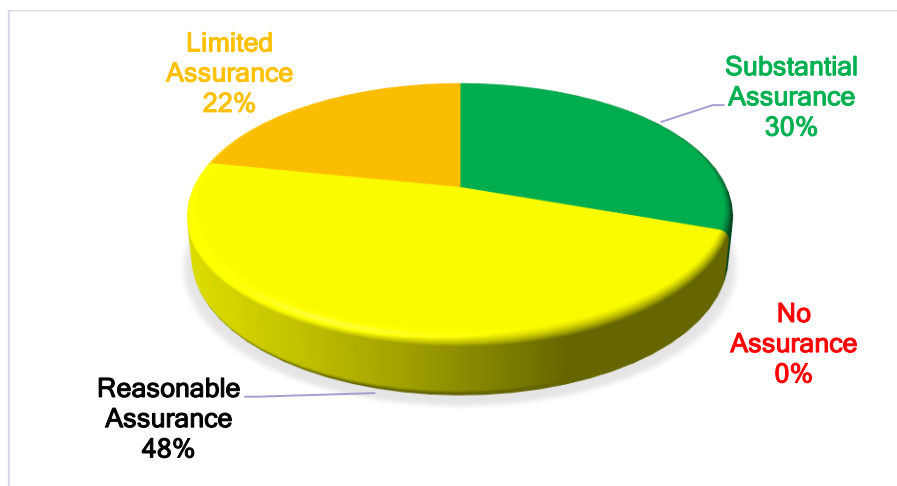
Grant certification work

We also undertook grant certification work where there was a requirement to undertake an audit under the terms and conditions of the grant ([Appendix D](#) refers).

Of the nine grant certification audits we finalised during 2020-21, we gave seven **'Substantial'** assurance for the arrangements for governance, risk management and internal control and found no significant or material **'Risks/Issues'**.

Internal Audit Assurance ratings provided during 2020-21

Overall, we were able to provide **'Reasonable'** assurance or above for 78% of the audits we undertook.



Five audits (22%) received **'Limited'** assurance during the year, compared to two in 2019-20. In accordance with our protocol, we formally revisit all the **'Issues/Risks'** raised in reports with a **'Limited'** assurance, when they become due, to ensure they are effectively addressed. We formally revisited four reports with a **'Limited'** assurance rating. We also revisited two reports which had a **'Reasonable'** assurance rating; one where it was recognised as a risk in the corporate risk register (Emergency Response) and one which had a number of **'Issues/Risks'** remaining outstanding (Sundry Debtors).

Following our revisit, we were able to raise the assurance to **'Reasonable'** in all the reports we revisited.

No audits received **'No'** assurance and no **'Critical'** (red) 'issues/risks' were raised during the year.

Where we identified 'Issues/Risks', management accepted them all. The remaining 'Issues/Risks' were monitored by recording in our action tracking system, discussed in further detail in the following [section](#).

First Line Assurance

Emergency Management Assurance

Guidance issued by CIPFA (see [Foreword - Current Context](#) above) advocated heads of audit consider, alongside internal audit work, other sources of assurance in order to fulfil the head of audit's responsibility to issue an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

We therefore undertook a piece of work that involved management completing two questionnaires, one strategic-level, and one at operational level. We developed the questionnaires to gain direct, 'first line'⁴ assurance from senior and middle managers about how the Council had coped with the challenges that COVID-19 brought, to identify the changing risks and impacts on the Council itself and whether key governance, risk management and internal control arrangements had deteriorated or been maintained.

Overall, the results of the self-assessment were positive. Due to the volume and depth of responses received from across the services, the Council can take **'Reasonable'** 'first line' assurance that the governance, risk management, and control frameworks have been adequately maintained while it has responded to the COVID-19 pandemic.

⁴ From the Institute of Internal Auditors' Three Lines Model, available at <https://www.iaa.org.uk/resources/corporate-governance/application-of-the-three-lines-model/>

OUTSTANDING ISSUES/RISKS

This year saw the first full year following the implementation of a new and upgraded version of the Council's action tracking system 4action. We are pleased to report that the new system has proved very successful in improving our internal audit follow up and action tracking processes.

We have developed and refined our dashboard, which displays a real-time snapshot of current performance in addressing outstanding actions and allows us to effectively track and report this information. We continuously monitor 'overdue' actions and so are able to obtain updates promptly from management on their progress with addressing them.

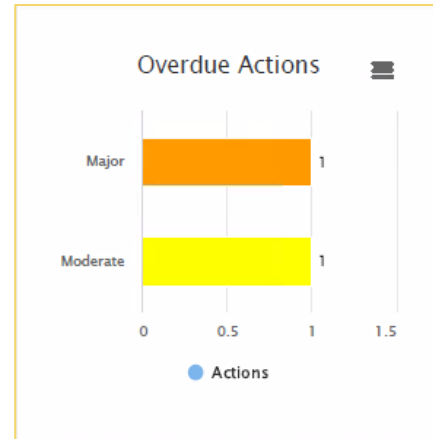
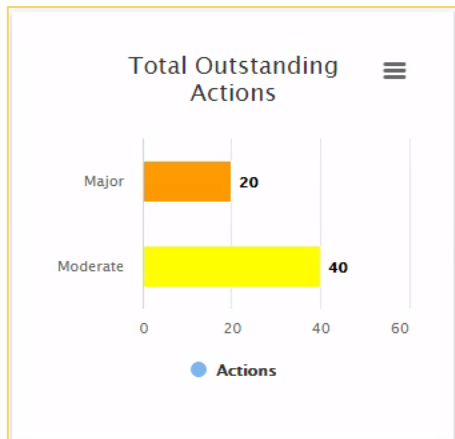
We have also developed a bespoke service dashboard to assist heads of service and their management teams in monitoring and providing updates on their actions. We are currently piloting this with the Resources service and if successful will continue to roll out further across the Council during 2021-22. Unfortunately, the Covid-19 emergency has limited our ability to roll out the new 4action system to services and provide training etc. so that management are able to utilise its functionalities fully. As the pandemic subsides, we will resume this work.

Current performance

The following seven graphs show the position of outstanding actions across the Council as at 31 March 2021. Inevitably, the impact of the COVID-19 emergency on some services has affected their ability to address their outstanding actions over the past year.

It should be noted that no 'Red' 'Issues/Risks' were raised during the year and there are no Red 'Issues/Risks' currently outstanding.

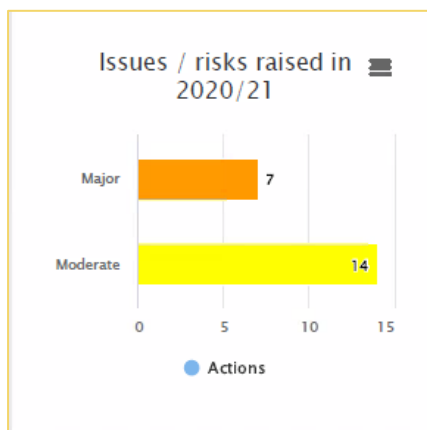
Outstanding and Overdue Actions



As at 31 March 2021, we were tracking 60 outstanding actions. Of these, 20 were rated 'major' (amber) and 40 'moderate' (yellow) in risk priority, as shown above left.

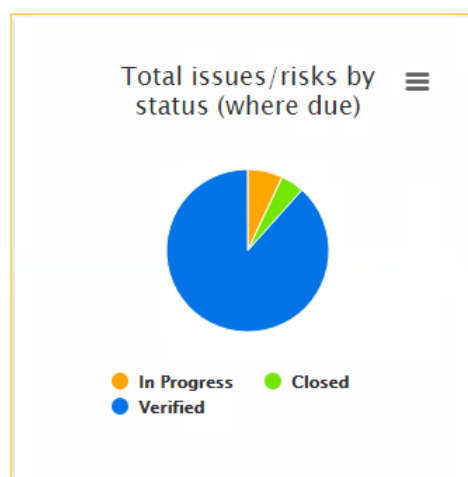
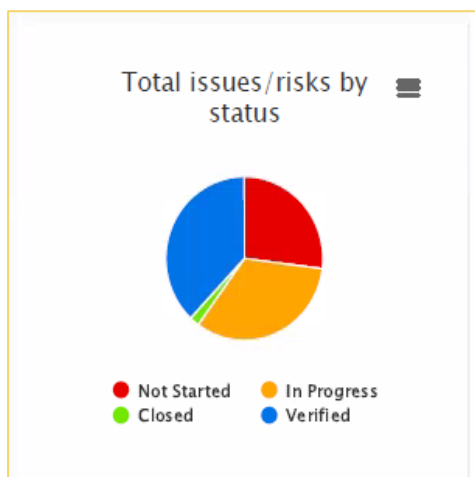
We actively monitor all actions and pursue them with management when they become overdue to ensure they are addressed. As at 31 March 2021, there were two actions that had reached their target date and had become 'overdue', as shown above right.

Issues / Risks Raised and Due in 2020-21



We raised 21 'issues/risks' that required management attention in 2020-21. Of these, we classified seven as 'major' and 14 as 'moderate'. Of the actions that we raised and subsequently became due for completion in 2020-21, management had addressed six of moderate risk priority before 31 March 2021. This represents 100% performance in this area.

Status of Issues / Risks



The graphs above show the status of all actions i.e. whether they are ‘in progress’, ‘not started’ or ‘closed’ if the action has been addressed. We verify all ‘closed’ actions to ensure we are satisfied that the action taken by management has addressed the risk originally identified.

The graph above left shows the status of all actions irrespective of the date by when management had agreed to address them. It shows that management have now addressed 40% of them. Internal audit have verified 38% of these. The remaining 2% relate to actions from an audit we will follow up formally in April 2021. We will verify completion of these actions during this piece of work.

Around half of the actions shown here as ‘not started’, relate to two audits finalised towards the end of the year. Therefore, actions identified as a result of these audits are not yet due for completion.

In contrast, the graph on the right shows the status of all actions that have reached their target date. It shows that of these, management has addressed over 90%, with work in progress for the remainder. We must note however, that we will on occasions extend target dates for some actions, but only if the service can demonstrate a legitimate reason for the extension, e.g. it becomes clear that the original target date is unachievable, as significantly more work is needed to address the issue/risk.

Due to the COVID-19 emergency, we have extended several target deadlines for services whose priority over the last 12 months has clearly been focused on responding to the pandemic.

Outstanding Issues / Risks by Year



As detailed above, 60 outstanding actions have yet to be fully completed.

These range between 2014-15 and 2020-21. While the graph indicates the majority relate to the last two financial years, it does however highlight a small number of old actions that management has yet to fully address.

It should be noted that both of these 'old' actions are rated 'moderate' in risk priority. However, we will endeavour to pursue all outstanding actions to ensure completion.

ISSUES RELEVANT TO THE PREPARATION OF THE ANNUAL GOVERNANCE STATEMENT

There are no issues which are of a significantly high risk or impact that warrant inclusion in the Annual Governance Statement.

During 2020-21, we have found senior management at the Council to be supportive and responsive to the issues we have raised. We have a good relationship with management; they openly share the areas where they perceive to be potential problems and take on board the results of our work as an opportunity for making improvements.

We have also been commissioned to undertake advisory work in the year at the request of management, which gives a strong indicator that managers are willing to engage with Internal Audit to establish good risk and control environments.

OUR PERFORMANCE

When delivering the risk-based audit strategy, the Head of Audit and Risk, supported by SLT, has made every effort to make best use of available internal audit resources during the pandemic, including:

- streamlining reports to the Governance and Audit Committee
- narrowing the focus of audit scopes to examine only key risks
- filling vacant audit posts on a temporary basis - additional Senior Auditor recruited
- buying in audit expertise from an external provider - IT Audit from Salford City Council
- evaluating all requests for advisory work and prioritising assurance work and advisory work that supports the annual opinion - School Fund guidance and training, audit certificate work outsourced
- avoiding diversion of internal audit staff to counter fraud work - the counter fraud programme has been delayed until 2021-22
- reducing to a minimum non-audit work, such as COVID-19 returns and redeployment to the Test, Trace and Protect (TTP) and business grants teams
- increasing communication with services to help ensure good co-operation and avoid unnecessary delays when undertaking audits - there has been better use of technology, such as Microsoft Teams
- continuing with the adoption of an 'agile audit' approach to smooth bottlenecks and remove barriers to progression.

Adding Value

Although opportunities have been limited due to the pandemic, even in this demanding context, throughout the year we have strived to add value wherever possible. We have continued to support managers across the Council by providing training, advice and sourcing external resources to provide assurance.

We have also continued to support peers across Wales and the North West of England by sharing good practice and work programmes, along with areas of emerging risk.

Performance Measures

We have in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit service. In February 2020, the Governance and Audit Committee agreed a number of performance targets within the Strategy for 2020-21, which can be seen at [Appendix E](#).

We have performed well against our targets, with three out of five indicators meeting their target.

We have performed less well in terms of the percentage of the red and amber residual risks reviewed and this is due in the main to the reduction in our staffing complement, losing staff again this year to promotion, secondment, long-term absence and also the COVID-19 emergency. Despite the emergency, we recruited two new members of staff, although the situation delayed their commencement with the team.

The completion of two audits was also delayed due to the COVID-19 emergency and caused us to fail to meet our target of completing 100% of audits within six months, by 7%.

Benchmarking

Normally we would benchmark our performance against the 22 members of the Welsh Chief Auditors Group, although only 19 regularly participate. However, due to the pandemic, benchmarking has been cancelled for 2020-21.

Despite being the smallest authority within the group in terms of population and not benefiting from the economies of scale available to some of the other members, in the past we have regularly achieved top quartile performance.

TRAINING AND DEVELOPMENT

All current members of the team are professionally qualified, with a good mix of professional qualifications. The service has invested significantly to ensure they continue their professional development and stay abreast of emerging risks and developments in the sector. We have also participated in the mandatory corporate training, where required.

In total, the service has invested 139 days in training and development during 2020-21 (113 days in 2019-20), consisting of the following:



The significant increase is due to the induction of two new members of staff commencing during the year.

CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS

Under the Standards, internal audit services are required to have an external quality assessment every five years.

An external assessment of the Isle of Anglesey County Council Internal Audit Service, conducted in June 2017, provided assurance that the service '**Generally Conforms**'⁵ with the Standards, which is the top assessment available to the assessor.

The next assessment is due next year and arrangements are being progressed with the Welsh Chief Auditors Group for a peer review by Flintshire County Council in June 2022.

⁵ 'Generally Conforms' means the evaluator has concluded that the relevant structures, policies and procedures of the internal audit service, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the service has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete / perfect conformance, the ideal situation, successful practice, etc.

CHALLENGES AND OPPORTUNITIES GOING FORWARDS

Before 2020-21 could even get started, the COVID-19 emergency rendered the 2020-21 Internal Audit Strategy out of date. Most of the Internal Audit and Risk Management team were deployed to priority parts of the business to support the Council's emergency response. Those remaining worked closely with the Emergency Management Response Team (EMRT) to provide assurance that its arrangements for responding to the emergency were fit for purpose. Although not in the Audit Plan, it was critical assurance work.

We also supported the EMRT to utilise the upgraded 4action system during the emergency. It proved to be a fundamental tool in supporting the EMRT in managing and tracking actions required in responding to the ongoing crisis.

We are confident that the time invested this year in the 4action system upgrade will pay dividends in our ability to effectively monitor and track outstanding 'issues/risks'. It will also provide the Governance and Audit Committee with the information they need to hold Internal Audit to account on its effectiveness in tracking the 'issues/risks'. The ease of use and usefulness of the new system has compelled managers to better engage with the process of providing updates on outstanding 'issues/risks'.

It will be the fourth year of operating the new audit methodology. The experience from last year has provided valuable learning. An enthusiastic and dedicated team, supplemented by new members of staff, new risk management software and upgraded action tracking software, will place the internal audit team in **a good position to ensure delivery of its plan** and continue to support the Council as a key component of its governance structure.

APPENDIX A: DEFINITION OF ASSURANCE RATINGS 2020-21

Level of Assurance	Definition
Substantial Assurance (G)	<p>Arrangements for governance, risk management and internal control are good.</p> <p>We found no significant or material Risks/Issues.</p>
Reasonable Assurance (Y)	<p>Arrangements for governance, risk management and/or internal control are reasonable.</p> <p>There are minor weaknesses in the management of risks and/or controls but there are no risks to the achievement of objectives. Management and Heads of Service can address.</p>
Limited Assurance (A)	<p>Arrangements for governance, risk management and internal control are limited.</p> <p>There are significant weaknesses in the management of risks and/or controls that put the achievement of objectives at risk. Heads of Service need to resolve and SLT may need to be informed.</p>
No Assurance (R)	<p>Arrangements for governance, risk management and internal control are significantly flawed.</p> <p>There are fundamental weaknesses in the management of risks and/or controls that will lead to a failure to achieve objectives. The immediate attention of SLT is required, with possible Executive intervention.</p>

(G) Green; (Y) Yellow; (A) Amber; (R) Red

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APPENDIX B: RED AND AMBER RESIDUAL RISKS IN THE CORPORATE RISK REGISTER

Risk Ref	Risk	Inherent Risk Rating	Residual Risk Rating	Date Created	Audit Year 2018/19	Audit Year 2019/20	Audit Year 2020/21
YM 4	Risk that a health and safety incident results in serious injury, illness or death	E / I = 4 T / L = 4 B2 (16) (R)	E / I = 4 T / L = 3 C2 (12) (A)	20/06/2018	Yellow Residual Risk	Yellow Residual Risk	Amber residual risk from 27/08/20
YM 5	Risk that the Council is unable to recruit, retain and develop suitable staff, or that the staffing structure is not suitable, to deliver efficient and effective services.	E / I = 4 T / L = 4 B2 (16) (R)	E / I = 4 T / L = 3 C2 (12) (A)	20/06/2018	Recruitment & Retention (March 2019) (Y)		
YM 9	Risk that key services cannot be provided following a major event (e.g. civil emergency, major flooding, Covid-19, foot and mouth, major contractor ceasing to trade etc)	E / I = 5 T / L = 5 A1 (25) (R)	E / I = 5 T / L = 3 C1 (15) (R)	20/06/2018		Business Continuity (February 2020) (Y)	Review of COVID-19 Emergency Response (April 2020) (Y)
YM 11	Risk that a serious safeguarding error results in or contributes towards serious harm to those vulnerable individuals who the Council has a responsibility for	E / I = 4 T / L = a B2 (16) (R)	E / I = 3 T / L = 4 C2 (12) (A)	20/06/2018	Deprivation of Liberty Safeguards (June 2018) (Y)	Corporate Safeguarding (September 2019) (Y)	Corporate Parenting Panel (January 2021) (Y)
YM 13	Risk that the Council's ability to plan for demographic change on the Island is not robust enough to deal with the resulting change in demand for services	E / I = 4 T / L = 5 A2 (20) (R)	E / I = 3 T / L = 4 B3 (12) (A)	20/06/2018			
YM 15	Risk that the schools modernisation project is not fully implemented and affects standards and the ability to reduce surplus school places and the lack of school places.	E / I = 5 T / L = 4 B1 (20) (R)	E / I = 4 T / L = 3 C2 (12) (A)	20/06/2018	Director requested postponement of audit due to temporary postponement of programme		

Risk Ref	Risk	Inherent Risk Rating	Residual Risk Rating	Date Created	Audit Year 2018/19	Audit Year 2019/20	Audit Year 2020/21
YM 17	Risk that the Island's infrastructure does not meet the needs of the public and businesses across the island	E / I = 4 T / L = 4 B2 (16) (R)	E / I = 4 T / L = 2 D2 (8) (A)	21/06/2018			
YM 22	The risk of the Council entering into contracts which impose an unnecessary financial / resource burden on the Council	E / I = 4 T / L = 3 C2 (12) (A)	E / I = 4 T / L = 2 D2 (8) (A)	21/06/2018			
YM 28	The risk of a cyber-attack having a significant impact on the Council's ability to deliver front line and support services.	E / I = 5 T / L = 4 B1 (20) (R)	E / I = 5 T / L = 3 C1 (15) (R)	21/06/2018	IT Audit - Cyber Security (February 2019) (Y)		IT Audit - Phishing (May 2021) (A)
YM 29	The risk that the Council cannot agree on a suitable, cost effective site that meets the needs of those identified in the Gypsies and Traveller Accommodation Needs Assessment 2016	E / I = 4 T / L = 4 B2 (16) (R)	E / I = 4 T / L = 3 C2 (12) (A)	21/06/2018	Gypsies and Travellers (Requirements of the Housing Act 2014) (April 2019) (Y)		
YM 30	The risk that gypsy and travellers form unauthorised encampments which results in disruption to local businesses and residents.	E / I = 3 T / L = 5 A3 (15) (A)	E / I = 3 T / L = 4 B3 (12) (A)	21/06/2018	Gypsies and Travellers (Requirements of the Housing Act 2014) (April 2019) (Y)		
YM 38	The risk that IT failure significantly impacts service delivery	E / I = 5 T / L = 5 A1 (25) (R)	E / I = 5 T / L = 3 C1 (15) (R)	10/09/2018		IT Audit - IT Resilience (April 2020) (A)	IT Audit - IT Resilience Follow Up (May 2021) (Y)
YM 40	Risk that the UK's withdrawal from the EU (Brexit) will negatively impact the Isle of Anglesey	E / I = 4 T / L = 5 A2 (20) (R)	E / I = 4 T / L = 4 B2 (16) (R)	04/01/2019		Managing the Risks of Brexit (January 2020) (Y)	

Risk Ref	Risk	Inherent Risk Rating	Residual Risk Rating	Date Created	Audit Year 2018/19	Audit Year 2019/20	Audit Year 2020/21
YM 41	The risk that the real term reduction in the Council's funding continues and leads to statutory services being curtailed, priorities not being achieved, investments not being made , and increased staffing pressures	E / I = 5 T / L = 5 A1 (25) (R)	E / I = 4 T / L = 4 B2 (16) (R)	14/05/2019		Financial Resilience (April 2020) (Y)	Risk redefined 25/01/2021
YM 43	The risk that Anglesey will not fully recover from the COVID-19 crisis	E / I = 5 T / L = 4 B1 (20) (R)	E / I = 4 T / L = 4 B2 (16) (R)	11/05/2020			New in 2020/21
YM 45	The risk of an increase in poverty increasing demand on Council services	E / I = 4 T / L = 4 B2 (16) (R)	E / I = 4 T / L = 3 C2 (12) (A)	18/08/2020	Welfare Reform (April 2019) (Y)		New in 2020/21
YM 47	The risk of the trees that the Council is responsible for falling and causing significant injury or damage	E / I = 4 T / L = 4 B2 (16) (R)	E / I = 4 T / L = 3 C2 (12) (A)	01/10/2020			Risk redefined 25/01/2021
YM 48	The risk that the Council's response to climate change is considered inadequate to protect local communities from the side-effects	E / I = 4 T / L = 4 B2 (16) (R)	E / I = 4 T / L = 3 C2 (12) (A)	07/12/2020			New in 2020/21
YM 49	The risk that the Council's physical assets (e.g. buildings, roads, IT network) will not be fit for purpose if the Council cannot invest sufficiently to sustain and develop them	E / I = 5 T / L = 4 B1 (20) (R)	E / I = 4 T / L = 4 B2 (16) (R)	19/02/2021			New in 2020/21
YM 50	The risk that the Council does not have the specialist resources needed to carry out its duties as an airport owner	E / I = 3 T / L = 5 A3 (15) (A)	E / I = 3 T / L = 4 B3 (12) (A)	25/03/2021			New in 2020/21

(G) Green; (Y) Yellow; (A) Amber; (R) Red

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APPENDIX C: OTHER INTERNAL AUDIT WORK IN 2020-21

Title of Audit	Date of Final Report	Assurance Level	Critical (R)	Major (A)	Moderate (Y)
Managing the Risk of Fraud	May-20	Reasonable (Y)	0	0	6
Management of School Unofficial Funds	Sep-20	Limited (A)	0	1	4
Leavers' Process	Sep-20	Limited (A)	0	1	3
Sundry Debtors (Third Follow Up)	Sep-20	Reasonable (Y)	0	0	5
System Controls - Logical Access and Segregation of Duties (Fourth Follow Up)	Sep-20	Reasonable (Y)	0	0	1
Payments - Supplier Maintenance	Jan-21	Limited (A)	0	5	5
Primary Schools Themed Audit - Income Collection (Second Follow Up)	Mar-21	Reasonable (Y)	0	0	0
Emergency Management Assurance (First Line Assurance)	May-21	Reasonable (Y)	0	0	0
Identification of duplicate invoices and recovery of duplicate payments	May-21	Limited (A)	0	3	3
		9	0	10	27

(G) Green; (Y) Yellow; (A) Amber; (R) Red

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APPENDIX D: GRANT CERTIFICATION WORK IN 2020-21

Title of Audit	Date of Final Report	Assurance Level	Critical (R)	Major (A)	Moderate (Y)
Rent Smart Wales Grant	Sep-20	Substantial (G)	0	0	0
Pupil Development Grant	Sep-20	Substantial (G)	0	0	0
Pupil Development Grant - Looked After Children Allocation	Sep-20	Substantial (G)	0	0	0
Local Authority Education Grant - Minority Ethnic and Gypsy Roma Traveller Learners	Nov-20	Substantial (G)	0	0	0
Local Authority Education Grant - Teachers Pay Award - Cost of Teachers' pay award (excluding 6th forms) & Financial Pressures Associated with Teachers Pay Award	Nov-20	Substantial (G)	0	0	0
Local Authority Education Grant - Pupil Development Grant (PDG) - Access	Jan-21	Reasonable (Y)	0	0	0
Local Authority Education Grant - Professional learning to support and raise the quality of our teachers	Jan-21	Substantial (G)	0	0	0
Local Authority Education Grant - Wellbeing - A whole-school approach to mental health and emotional well-being	Jan-21	Substantial (G)	0	0	0
LEA Sixth Form & Adult Community Learning Allocations 2019-20 Certification	Feb-21	n/a	n/a	n/a	n/a
		9	0	0	0

(G) Green; (Y) Yellow; (A) Amber; (R) Red

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APPENDIX E: PERFORMANCE MEASURES – COMPARISON AGAINST TARGET

Performance Indicator	Performance 2018-19	Performance 2019-20	Target 2020-21	Performance 2020-21
Red and Amber Residual Risks in the Corporate Risk Register audited ⁶	29%	50%	80%	20% (R)
Audits completed within six months	Not measured	93%	100%	93% (A)
Clients responses at least 'satisfied'	100%	100%	100%	100% (G)
Reported to Governance and Audit Committee within target	87%	86%	100%	100% (G)
Audits completed within planned time	100%	100%	100%	100% (G)
Number of staff	4.0 FTE	4.0 FTE	5.0 FTE	2.6 FTE ⁷ (R)

(G) Green; (Y) Yellow; (A) Amber; (R) Red

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⁶ Due to the fairly stable nature of these risks, this will be measured over a rolling 24-month period from 2021-22

⁷ 0.7 FTE supporting COVID-19; 0.4 FTE lost to long-term sickness; 1.7 FTE lost to vacancies and flexible working