

**Audit Committee**  
**14 APRIL 2021**

Present: Councillors: Stuart Ritchie (Chairman), John Blackall (Vice-Chairman), Tony Bevis, Ruth Fletcher, Richard Landeryou, Jack Saheid and James Wright

AAG/35 **MINUTES**

The minutes of the meeting held on 16 December 2020 were approved as an accurate record and would be signed by the Chairman at a later date.

AAG/36 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

AAG/37 **ANNOUNCEMENTS**

The Chairman announced that Councillor James Wright had been appointed as a Member of the Audit Committee at the last meeting of Full Council and welcomed him to the Committee.

The Chairman announced that the External Audit Partner, Andrew Brittain, would be replaced by Elizabeth Jackson before the next Audit Committee Meeting. The Chairman thanked Andrew for his work.

AAG/38 **EXTERNAL AUDIT PROGRESS REPORT AND AUDIT PLAN**

The External Auditors presented the Audit Progress Report and Audit Plan to the Committee.

Members noted the contents of the report.

AAG/39 **RISK MANAGEMENT - QUARTERLY UPDATE**

The Director of Corporate Resources presented the Risk Management Quarterly Update to the Committee. The report included an update on the Corporate Risk Register for consideration and provided an update on progress with the quarterly departmental risk register reviews.

It was reported that there were six risks considered to be high:

CRR35 - COVID-19 (i) The Council is unable to deliver statutory front line services to the community due to, for example, staff shortages or unavailability of key officers. (ii) Substantial financial loss to the Council.

CRR19 - Ongoing reduction in planning fees; reduced car parking income; increased homelessness; and increased housing benefit claims; leisure centres; property income; investment income.

CRR01c - Decrease in Rateable Value due to appeals and businesses going under. This may cause the Council to fall below the business rates baseline, resulting in loss of funding.

CRR18 - (i) A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems. The level of threat has been raised by the Cabinet Office to amber. (ii) IT not working due to environmental problems: fire, flood, power cut.

CRR01b - Funding from Government is less generous than assumed in the Medium-Term Financial Strategy (MTFS) from 2021.

CRR05 - Officers are either unaware of expected controls or do not comply with control procedures.

It was reported that Risk CRR32, considered medium, would be removed from the next corporate risk register following the withdrawal of the NHS appeal in March 2021, ending the prospect of any further High Court process.

Departmental risk registers had been reviewed and updated.

The Committee noted the contents of the report and relevant appendices.

AAG/40 **DRAFT ANNUAL GOVERNANCE STATEMENT 2020/2021**

The Director of Corporate Resources presented the Draft Annual Governance Statement 2020/21.

The annual review of the Council's governance, risk management and internal control arrangements had been completed in the spring leading to the production of the Annual Governance Statement for 2020/21. This review included information and assurance gathering processes to ensure that the published Annual Governance Statement was correct as well as a review of the Council's Governance Framework against the best practice framework devised by CIPFA/SOLACE.

RESOLVED

That the Draft Annual Governance Statement 2020/21 be approved.

AAG/41 **INTERNAL AUDIT - QUARTERLY UPDATE REPORT**

The Chief Internal Auditor provided Members with an update on all internal audit and counter-fraud activity completed during the quarter, with a summary of all key findings.

Overall, of the eight formal audits finalised during the quarter, one received an opinion of 'substantial assurance'; five received an opinion of 'reasonable assurance'; and two received an opinion of 'partial assurance'.

Formal follow-up reviews would continue to be carried out for all audits where 'partial assurance' had been received.

The Committee noted the contents of the report.

AAG/42 **INTERNAL AUDIT STRATEGY 2021/22 AND ANNUAL PLAN**

The Chief Internal Auditor presented the Internal Audit Strategy and Annual Plan for 2021/22.

The Strategy would The Strategy proposed an approach based on focusing audit resources in areas with the highest risk to the achievement of the Council's objectives. These areas had been identified and prioritised based on the Council's own risk assessment processes and following consultation with senior officers and Members.

RESOLVED

That the Council's Internal Audit Strategy 2021/22 and Annual Plan be approved.

AAG/43 **URGENT BUSINESS**

There was no urgent business.

AAG/44 **EXCLUSION OF THE PRESS AND PUBLIC**

That under section 100A(2) of the Local Government Act 1972, the press and public be excluded from the meeting for the remainder of this item of business on the grounds that it involves the likely disclosure of exempt information, as detailed in Part 1 of Schedule 12A of the Act, by virtue of paragraph 5 and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

AAG/45 **APPENDIX 2 OF THE RISK MANAGEMENT QUARTERLY UPDATE**

Members noted the content of the appendix.

*The meeting closed at 6.48 pm having commenced at 5.30 pm*

CHAIRMAN