

Report of the Chairman on the work of the Audit Committee

There have been two meetings of the Committee since the last Council meeting. An extraordinary meeting held on 12 November and an ordinary meeting on 26 November 2020. This report gives an overview of the main issues considered at those meetings.

Extraordinary Committee – 12 November 2020

1. Update from BDO, External Auditors, on audit arrangements

- 1.1 The Committee received an update on the work of the external auditor, BDO on the 2018/19 and 2019/20 accounts. We noted that BDO had undertaken some limited transactional work on both years but was unable to progress work on the balance sheets in order to give an opinion on the accounts, for either year. We noted with concern that this situation will persist until the previous auditor, KPMG, has signed off the 2017/18 accounts and given BDO professional clearance to start the audit for subsequent years.

2. CIPFA Financial Management Code

- 2.1 The Committee received a presentation on the new Chartered Institute of Public Finance and Accounting, Financial Management Code from the Chief Finance Officer.
- 2.2 The Committee noted that the Council had undertaken a self-assessment against the standards in the Code and identified our level of compliance and the areas on which we can improve. We were pleased to hear that the Council is performing well but has identified some areas for improvement such as training and reviewing the format and content of reports to make them easier to understand. The Chief Finance Officer has agreed to our request to circulate the self-assessment to the Committee.

3. Update from KPMG on Value for Money (VFM) opinion 2017/18

- 3.1 As KPMG did not feel in a position to attend the meeting to provide an update, the Committee discussed the history of the Council's interactions with KPMG and the issues leading to an outstanding VFM opinion for 2017/18, and possible avenues to resolve them with the Chief Finance Officer and Monitoring Officer. The Monitoring Officer outlined the potential courses of action open to KPMG, for the Committee's information.
- 3.2 We noted an update on the communications between the Council and KPMG since October 2020 and a summary of the position with regards to the legal advice given to both parties.

Audit Committee – 26 November 2020

1. Corporate Risk Management

- 1.1 The Committee considered the report and accompanying Corporate Risk Register. The format of the Risk Register was being reviewed and suggestions were made to make it more accessible on mobile devices.

- 1.2 The Committee noted the updated Corporate Risk Register and recommended it to Cabinet for approval.

2. Interim Internal Audit Report 2020/21

- 2.1 The Committee considered the report which summarised the work of the audit team for the period July to November 2020 and proposed changes to improve the content.
- 2.2 It was agreed the Committee would be advised of the outcome of a review of the internal audit team's processes and resource.
- 2.3 The Committee noted the report subject to the above..

3. Covid-19 Risk Considerations

- 3.1 The Committee considered a report setting out the most significant risks and opportunities to the Council in relation to the ongoing Covid-19 pandemic. The accompanying assessment had been updated to reflect the impact of the second wave. The Committee considered the assessment to be a comprehensive assessment of the risks faced and mitigation measures.
- 3.2 The Committee recommended that a variety of communication methods are used to ensure that residents are made aware of potential scams operating locally and of preventative measures they could take.

4. Confidential Reporting Code

- 4.1 The Committee considered amendments to the Confidential Reporting Code following a benchmarking exercise by officers. The Code sets out how to raise serious concerns about any aspect of the Council's work, who to raise them with and how they should be dealt with.
- 4.2 The proposed amendments centred around training for staff to increase awareness and the reporting process.
- 4.3 The Committee recommended the revised Confidential Reporting Code to Council for adoption.

Councillor Lawrence Nichols
Chairman of the Audit Committee

10 December 2020