

AUDIT COMMITTEE

Minutes of the proceedings at a meeting of the Audit Committee held on Thursday, 22 April 2021, at 6.30 p.m.

Present

Councillors

Stephen Coleman (Chairman)
Tracy Coward (Vice-Chairman)

Chris Hogg
Kevin Holmes
Kevin Lancaster
Matt Severn

Officers

Sarah Berry	Performance, Innovation and Commissioning Specialist
Lawrence Conway	Chief Executive
John Davies	Case Management Officer
Linda Fisher	Legal, Governance and Democracy Lead Specialist (Monitoring Officer)
Claire Gould	Performance, Innovation and Commissioning Lead Specialist
Julia Krier	Legal, Governance and Democracy Specialist
Simon McVey	Operational Lead Support Services
Adam Moffatt	Legal, Governance and Democracy Specialist
Claire Read	Finance Specialist
Helen Smith	Finance Lead Specialist (Section 151 Officer)

Also in attendance were Dyson (External Audit), Peter Harrison (Internal Audit Manager) and Gareth Kelly (External Audit Manager).

AUD/28 CHAIRMAN'S INTRODUCTIONS

Following confirmation that the live stream of the meeting had commenced, the Chairman referred to the new Government legislation allowing councils to conduct remote meetings and explained in detail to all taking part, and for the benefit of members of the public, the procedures for the meeting. He then invited Members of the Audit Committee to introduce themselves, to advise whether they were taking part by video or audio and to confirm that they were able to see (where practicable) and hear all Members participating in the meeting. All Members present, including the Chairman, having indicated that this was the case, he referred to officers and representatives of both External and Internal Audit present at the meeting, who would introduce themselves when asked to address the meeting.

Having received a request from the Chief Executive of the Council, Members agreed to consider Minute No. AUD/32 (Agenda Item No. 22 – Customer Connect Programme Management) following Minute No. AUD/31 (Agenda Item No. 3 – Local Government Act 1972 – Excluded Items).

22.04.2021

Audit Committee

AUD/29 MINUTES

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the Chairman be authorised to sign, as a correct record, the minutes of the meeting of the Committee held on 19 November 2020.

AUD/30 DECLARATIONS OF INTEREST

No declarations of interest were raised.

AUD/31 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS

There were no excluded items on the agenda.

AUD/32 CUSTOMER CONNECT PROGRAMME MANAGEMENT

The Specialist (Performance, Innovation and Commissioning) presented an update on the progress of the Customer Connect Programme set out at appendix 1 to the report and made reference a number of highlights across Digital, People and Process.

The report outlined the number of risks currently on the risk log and informed Members that there had been no change to the number of risks with one risk remaining above the line of appetite. She informed Members that the next update would be in six months which would be followed up by a final close down report in March 2022.

In response to a question relating to the length of time it took to respond to issues raised through My Account, the Specialist (Performance, Innovation and Commissioning) informed Members that formal complaints were monitored on a daily basis and that feedback was triaged to allow for customers to be contacted individually to keep them up to date with how the case was being progressed.

The Legal, Governance and Democracy Lead Specialist (Monitoring Officer) responded to a question relating to a risk flagged relating to the implementation of a Legal Case Management System. She informed Members that progress had been made to agree timescales for the purchase and implementation of the system. In response to a further request from a Member, the Legal Governance and Democracy Lead Specialist (Monitoring Officer) agreed to write to the whole committee on the outcome of the scheduled internal meeting and to keep the Committee updated as to progress.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the following be noted:-

(1) the Work Stream note in Appendix 1; and

(2) the Risk and Issue Register (Programme Workbook) in Appendix 2.

AUD/33 AUDIT COMMITTEE 2021/22 WORK PROGRAMME

The Finance Lead Specialist (Section 151 Officer) presented the Audit Committee 2021/22 Work Programme. The Work Programme was based on best practice and reflected the usual reports which had been prepared for a number of years.

The Finance Lead Specialist (Section 151 Officer) informed Members that where reports had been deferred from this meeting of the Audit Committee, they would be prioritised going forwards and suggested that a sub group of the Audit Committee be formed to meet towards the end of May in order to discuss changes to the relative importance that had been placed on those charged with governance to review the annual governance statement for inclusion in the accounts.

The Finance Lead Specialist (Section 151 Officer) responded to questions relating to the potential impact of Local Government Reorganisation and informed Members that she had been meeting with the Monitoring Officer and Chief Executive to look at preparing for this situation.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the draft Work Programme for 2021/22 be agreed, subject to confirmation of the Council's Calendar of Meetings.

The Chairman made a request for three Members to form the sub-group to discuss the annual governance control at the end of May. Councillors Tracey Coward, Kevin Holmes and Kevin Lancaster agreed to form the sub-group.

AUD/34 AUDIT COMMITTEE 2020/21 WORK PROGRAMME

The Finance Lead Specialist (Section 151 Officer) presented a report on progress against the Committee's 2020/21 Work Programme. She informed Members that the 11 February 2021 Audit Committee had been cancelled due to time pressure for producing the budget and that some of the items on the agenda had been carried over from that meeting. The Finance Lead Specialist (Section 151 Officer) highlighted a number of items on the work programme that were still under discussion including the external audit plan for the accounts, the review of the constitution and the review of fraud activity.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the Audit Committee 2020/21 Work Programme be agreed.

AUD/35 CHAIR OF THE AUDIT COMMITTEE'S ANNUAL REPORT 2020/21

The Committee considered the Chair's Audit Committee Annual Report 2020/21. The report summarised the activities of the Committee during the current Council Year and, subject to approval, would be submitted to Council in May 2021. The report demonstrated that the Committee was working effectively and providing independent assessment of the Council's governance arrangements.

No Member having raised any concern it was

RESOLVED - That the Chair of the Audit Committee's Annual Report 2020/21 be approved for submission to Council on 19 May 2021.

AUD/36 ACCOUNTING POLICES 2020/21

The Finance Specialist (Deputy Section 151 Officer) presented a report relating to the Council's Accounting Policies. She informed Members that the policies were used for the preparation off the 2020/21 statement of accounts and had been prepared in line with the

Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice on local authority accounting.

The Finance Specialist (Deputy Section 151 Officer) highlighted that following the announcement of the delay in applying the lease accounting standard there were only minor changes to the previous year's accounting policies. She informed Members of the changes to the policies, including the inclusion of a paragraph laying out rounding and credit balance conventions that were in line with best practice. In running through the other changes in the policies, the Finance Specialist referred to the removal of the residual arrangements paragraph for employee benefits as the obligations for addition pensions schemes had ended; the revenue grants contributions section, which had made reference to the Community Infrastructure Levy (CIL) grants; and the Property Plant and Equipment section which recognised that the Council componentise assets in line with best practice.

The Finance Specialist (Deputy Section 151 Officer) informed Members that the accounting policies had not departed from the CIPFA Code of Practice and that they were representative of good practice.

It was good practice to consider and adopt the accounting policies in advance of the production and approval of the draft accounts. The Finance Specialist (Deputy Section 151 Officer) informed Members that the Council's Audit Arrangement regulation amendments had the deadlines pushed back to 31 July 2021 and 30 September 2021 but that Officers were aiming to conclude this work by 31 May 2021 so that the Audit Committee can move forwards at the next committee meeting.

Members having raised concern, the Finance Specialist highlighted that the section relating to the cost of support services had been removed as it was no longer relevant. In responding to an additional question relating to the impact of the pandemic on the cost of planned works, the Finance Lead Specialist (Section 151 Officer) informed Members that the cost of contracts and tender values had increased due to the impact of Covid.

No Member having raised any concern it was

RESOLVED – That the accounting policies at appendix 1 for the 2020/21 financial year be approved, to be used in the preparation of the Statement of Accounts for the financial year ending 31 March 2021.

AUD/37

ANNUAL AUDIT LETTER FOR SOUTH LAKELAND DISTRICT COUNCIL YEAR ENDING 31 MARCH 2021

The External Audit Annual Audit Letter, which summarised the key findings arising from work carried out by External Audit at the Council for the year ended 31 March 2020, was presented by Gareth Kelly, External Audit.

The key messages were that External Audit had provided an unqualified opinion on the Council's financial statements on 2 December 2020. External Audit was satisfied that the Council had in place, proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2020. External Audit made reference to an Emphasis of Matter which had been included in the audit report, which highlighted property, plant and equipment valuation material uncertainties in respect of the Council's own assets and those in the Council's share of pension fund assets. External Audit had certified that it had completed the audit of the accounts of South

Lakeland District Council in accordance with the requirements of the National Audit Office's Code of Audit Practice 2 December 2020.

In response to questions raised by Members, the Finance Lead Specialist (Section 151 Officer) highlighted that the Medium Term Financial Plan made no assumptions and that funds would not be used from reserves until the end of the year when the figures had been confirmed. She went on to respond to a further query by informing Members that the Valuer had come back to the Council and was starting a review of the assets which followed the normal cycle, including car parks, plus valuation of South Lakes House and Kendal Town Hall. She informed Members that smaller assets were reviewed once every 4 years and larger assets were done bi-annually.

No Member having raised any concern, it was

RESOLVED – That the contents of the Annual External Audit Letter for the year ended 31 March 2020 be noted.

AUD/38 EXTERNAL AUDIT HOUSING BENEFIT CERTIFICATION YEAR ENDED 31 MARCH 2021 LETTER

The External Audit Manager presented a letter from Grant Thornton, advising that, for the form MPF720A dated, 17 March 2020, year ended 31 March 2020, External Audit had completed the specific test requirements detailed in the DWP reporting framework HBAP and had identified the results set out in Appendices A, B, C and D to the report, which provided a report on housing benefit certification work carried out for South Lakeland District Council for year ended 31 March 2020.

The External Audit Manager explained that this was a complex system and that it was not unusual to have qualifications of this nature. The letter identified some of the errors identified through the initial testing, however, close work with the finance team had enabled the claim to be amended and signed off and meant that External Audit was able to certify closure on 17 March 2021.

In response to a question raised by Members, the Finance Lead Specialist (Section 151 Officer) informed Members that in order to deal with the increased work load, there had been interim staff used in the short term with the situation being monitored and kept under review in the long term.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the letter from External Audit on Housing Benefit Certification Year ended 31 March 2021 be received.

AUD/39 EXTERNAL AUDITOR'S PROGRESS REPORT AND UPDATE

The External Audit Manager presented a report providing the Committee with a summary of the progress made by Grant Thornton in delivering their responsibilities as the Council's External Auditors as of April 2021.

In presenting the report, the External Audit Manager informed Members that the housing benefit certification had been completed and that initial meetings had been held with finance officers to discuss uplifting fees for 2021 which would be in line with 2019/20. She highlighted an increase in the amount of work relating to property, plant equipment and the pension fund and added that the audit fee was to be finalised by the end of July.

The External Audit Manager referred to a review of the IT controls which had not shown any weaknesses. In addition, she highlighted the new approach to Value for Money and explained that this represented a move to a narrative approach rather than a risk based approach that would allow for more freedom to reflect the local context under three specific reporting criteria (Financial Sustainability, Governance and Improving economy, efficiency and effectiveness). She informed Members that recommendations would be updated to reflect this change later in the year.

The External Audit Manager made specific reference to a revised auditing standard that placed more emphasis on management and informing the committee on the use of experts and accounting estimates with the key estimates being determined as valuation of assets and buildings.

In responding to questions raised by Members, the External Audit Manager explained that the changes to the Value for Money approach linked to a revisit of the code of audit practice and that the update to the framework was a recognition that it was useful to use an independent opinion on financial sustainability and wider governance. He emphasised the focus on the local context and the narrative approach and informed Members that he felt that the improvement recommendations would add value.

Members expressed their thanks for a comprehensive report and commented on the uncertainty of local government funding in the coming years as well as praising the strong reserve position of the Council.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the progress made by External Auditors as at April 2021 be noted.

AUD/40 INTERNAL AUDIT SERVICES CONTRACT UPDATE

The Finance Lead Specialist (Section 151 Officer) presented the Internal Audit Services Contract Update. She informed Members that the original contracts had been due to expire on 31 March 2021, that the Council was very happy with the service provided by TIAA and that it was felt appropriate to extend the contracts for one year.

The Finance Lead Specialist (Section 151 Officer) highlighted that it was acceptable under the procedure rules that the relevant Director could approve the renewal and emphasised her thanks to TIAA for their good audit provision.

No Member having raised any concern when asked by the Chairman, it was

RESOLVED – That the Internal Audit Services Contract Update, by noted.

AUD/41 INTERNAL AUDIT ANNUAL PLAN 2021-22

Members gave consideration to a proposed Internal Audit Annual Plan for 2021/22, presented by the Internal Audit Manager.

The Accounts and Audit Regulations required the Council to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control. Proper Practices were now defined within the Public Sector Internal Audit Standards (PSIAS) which had become mandatory for all UK public sector internal auditors from 1 April 2013. The PSIAS affirmed

the need for annual risk based audit plans to be developed in order that the Head of Internal Audit could form an annual opinion on the Council's systems of risk management, governance and internal control.

The Internal Audit Annual Plan, attached at Appendix 1 to the report had been prepared following the review of corporate documents including the Council's Corporate Risk Register, corporate plans and recent internal audit coverage. In light of the on-going Covid-19 pandemic, it was important that the plan remained flexible to respond to changing priorities during the course of the year.

The Plan would be subject to regular review to ensure that it remained appropriate and any revision required would be considered and agreed by senior management and the Audit Committee. Any request for significant consulting activity by Internal Audit would be considered for approval by the Audit committee, in line with the requirements of the PSIAS.

Particular attention was drawn to the key areas which required internal audit coverage during the year:-

- "Multi-channel" resident engagement;
- Commercialisation;
- Cyber Security; and
- Council mergers.

The Internal Audit Manager referred to the Audit Charter, which for 2021/22 had been incorporated in to the Annual Plan. He informed Members that Internal Audit was required to have a charter in place and that it looked at the role of Internal Audit and the approach taken within the Council.

Discussion took place around the impressive number of Covid-19 grants that had been processed by officers and the risk of being an accountable body on large projects. The Finance Lead Specialist (Section 151 Officer) explained that on some of the larger projects the Council had no choice but to be the accountable body but that each project was taken on a case-by-case basis.

Note – at this stage, in the interest of transparency Councillor Matt Severn declared that his employer had received funds from Covid-19 grants. He remained in the meeting during discussion and but did not participate.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That:-

- (1) The internal Audit Annual Plan 2021-22 be approved; and
- (2) The audit Charter, which for 2021-22 was incorporated into the Annual Plan be approved.

AUD/42 INTERNAL AUDIT PROGRESS REPORT 2020/21

Peter Harrison, Internal Audit introduced the internal Audit Progress Report 2020/21. The report provided a summary of the progress against the internal Audit Annual Plan as at April 2021.

Following the Internal Audit Plan's approval by Committee in September 2020, ten assurance reviews had been finalised and the report contained the executive summaries that had been completed since the last meeting. These executive summaries of the ten audit reports completed in the period covered: Payroll, Performance Management, Insurance, Bereavement Services, Creditor Payments, Members Declarations of Interest, Disabled Facilities Grant, NNDR, Council Tax and Lake Services. These reports were also presented by the Internal Audit Manager.

He informed Members that the Assurance Review of Payroll had received Reasonable Assurance, with one important action point having been identified. Processes had been put in place to prevent repetition of the issue which related to a single payment wrongly backdated as part of an 'exceptional pay award'.

The Assurance Review of Performance Management had received Substantial Assurance and it was felt that the Council's performance measures were updated on a timely basis and were clearly linked to the Council Plan. Similarly the Assurance Review of Insurances received a Substantial Assurance and the report found that there were sensible mitigating actions taken to help reduce the number of insurance claims against the Council.

The Internal Audit Manager informed Members that the Assurance Review of Bereavement Services had received a Reasonable Assurance with five Important Action Points having being identified. Testing identified the need to strengthen supporting documentation and to draft an Annual Plan for the Grounds Maintenance Service.

The Assurance Review of Creditor Payments also received a Reasonable Assurance, with one Important Action Point having being identified. The Internal Audit Manager highlighted that this related to the need to deliver a formal programme of fraud awareness training, he informed Members that fraud has been a regular feature at finance team meetings but felt that a more formal training programme would be more suitable.

Similarly, the Assurance Review of Member's Interests and Declarations had received a Reasonable Assurance with two Important Action Points having being identified. These related to a lack of evidence of the retention of signed agreements to the Code of Conduct and the need for the Gifts and Hospitality disclosures being reported to the Standards Committee annually.

The Assurance Review of Disabled Facilities Grants also received a Reasonable Assurance with one Important Action Point having being identified. This related to the need to review the Constitution which would help to clarify the application of Contract Procedures Rules.

The Internal Audit Manager informed Members that the Assurance Review of NNDR had also received a Reasonable Assurance with one Important Action Point having being identified, which linked to a high number of outstanding work items linked to NNDR and Council Tax. He informed Members that the Assurance Review of Council Tax also received a Reasonable Assurance with one Important Action Point being identified, which was also linked to the high number of work items that were outstanding.

The final Assurance Review, which covered Lake Services also received a Reasonable Assurance with one Important Action Point having being identified. The Internal Audit Manager highlighted that this was linked to how encroachments were determined and the accuracy and consistency of the determinations.

The Internal Audit Manager informed Members that since the November 2020 Audit Committee meeting, 17 recommendations had been implemented with 21 still outstanding.

He added that by and large, this was on track but that there had been some slippage mainly due to the impact of Covid-19.

In response to a question relating to State Aid and the impact of Brexit, the Legal, Governance and Democracy Specialist (Deputy Monitoring Officer) informed Members that following the end of the Brexit transition period, the UK had new subsidy control rules to follow and agreed to provide an update to Councillor Chris Hogg in the form of a written response.

No Member having raised any concern when asked by the Chairman, it was

RESOLVED – that the following be noted:-

- (1) progress achieved in 2020/21 in completing the Audit Plan and the outcomes of completed audit reviews as set out in Appendix 1;
- (2) the audit reports, as set out in Appendix 2; and
- (3) the summary progress achieved in implementing recommendations from previous internal audit reviews, as set out in Appendix 3.

AUD/43 REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

The Finance Lead Specialist (Section 151 Officer) presented the Review of Effectiveness of Internal Audit which provided the Committee with assurance to enable it to endorse the view that the Council has an effective system of Internal Audit.

The Accounts and Audit Regulations 2015 include a requirement for the Council to conduct a review of the effectiveness of its system of internal control at least once a year. The internal audit function is a key element of internal control. For the purposes of the review, the areas of assurance which had been relied upon were as follows:-

- Public Sector Internal Audit Standards;
- Audit Charter;
- Head of Internal Audit Opinion 2019/20; and
- Performance Indicators.

The Finance Lead Specialist (Section 151 Officer) informed Members that the public sector based assessment had identified that Internal Audit complied with all of the professional standards.

No Member having raised any concern when asked by the Chairman, it was

RESOLVED – that the conclusion that the Council has an effective system of internal audit in place that complies with the principles of the Public Sector Internal Audit Standards be endorsed.

AUD/44 REVIEW OF PERFORMANCE MANAGEMENT FRAMEWORK AND RISK MANAGEMENT PROCESS

The Case Management Officer (Support Services) reported that the Council had an existing Performance Management Framework and Risk Management Process, which were reviewed annually. The Council Plan adopted by Full Council on 23 February 2021 had been taken into consideration as part of the annual review of the documents.

The Performance Management Framework described how the Council monitored its performance and reflected the performance monitoring structures and schedules. The Performance Management Framework 2021 had been aligned with the updated Council Plan and changes brought about by the new organisational model.

The Risk Management Process described how the Council identifies and managed the operational and strategic level risks and had been reviewed to include changes brought about by the new organisational model.

Both the Performance Management Framework and the Risk Management Process are in an accessible format.

No Member having raised any concern when asked by the Chairman, it was

RESOLVED – That the following be noted:-

- (1) the Performance Management Framework 2021, as set out at Appendix 1 to the report; and
- (2) the Risk Management Process 2021, as set out at Appendix 2 to the report.

AUD/45 RISK MANAGEMENT - OPERATIONAL RISKS

The Case Management Officer (Support Services) reminded the Committee that Internal Audit had recommended that the operational risks which were above the tolerance level should be reported to the Audit Committee, on an annual basis as a minimum, to ensure that Members were aware of the operational risks which had been identified and that they were being managed. He provided information with regard to the operational risks that were above tolerance, together with details on the mitigations to manage them, as shown at Appendix 1 to the report.

Following discussion, the Case Management Officer (Support Services) informed Members that all of the risks that were above tolerance were continually mitigated against and were managed on a regular basis. Following a request from Members, he also agreed to present the risks in a prioritised list going forwards to highlight the risks that had higher risk score totals attached to them.

In answering a question from Members, the Chief Executive of the Council, highlighted that the Customer Connect program had been interrupted, by the ongoing Covid-19 pandemic, at a critical point for the transfer of skills and knowledge in the employee streams. As a result of the pandemic, the transfer of knowledge had become more difficult but he pointed out that as we emerged from lockdown, this would become easier and assured Members that officers were fully engaged on reducing this risk.

No Member having raised any concern when asked by the Chairman, it was

RESOLVED – That the operational risks which are positioned above the line of tolerance, and their mitigating controls, as listed at Appendix 1 to the report, be noted.

AUD/46 AUDIT COMMITTEE RISK REGISTER

The updated Audit Risk Register was presented by the Finance Lead Specialist (Section 151 Officer). The Risk Register had last been reviewed on 17 September 2020 and the

recommendations from that meeting had been included within the update. No changes were proposed to the three risks considered by the Committee on 17 September 2020.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the updated Audit Committee Risk Register be noted.

AUD/47 RISK MANAGEMENT UPDATE

The Case Management Officer (Support Services) presented an update on the Strategic Risk Register. He informed Members that the Strategic Risk Register was reviewed quarterly with the Corporate Management Team and highlighted that compared to the previous year in quarter four; there had been a 15% decrease in the number of risks that were above the risk appetite, from 65% to 50%.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the updated Strategic Risk Register be noted.

AUD/48 REVIEW OF LOCAL CODE OF GOVERNANCE AND GOVERNANCE UPDATE

The review of the Local Code of Governance was presented by the Finance Lead Specialist (Section 151 Officer).

Under the Accounts and Audit Regulations 2015, the Council was required to review the effectiveness of the system of internal control annually and report this through an Annual Governance Statement. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) governance framework for local authorities constituted proper practice and was to be applied for financial years from 1 April 2016 onwards.

The Local Code was approved in December 2018 and Annual Governance Statement were prepared under the new framework and included recommendations from the Council's internal auditor's review of the Local Code in 2017/18. The Code was reviewed in December 2019 and no substantive amendments were made. Internal Audit had begun carrying out a review of the Local Code from which the results of the testing had been used to inform this review.

The Finance Lead Specialist (Section 151 officer) informed Members of a number of new documents, including the CIPFA Financial Management Code and Lessons from recent Public Interest Reports 2021, which had been published by Grant Thornton, which set out new areas of good practice and highlighted the need to review any changes to arrangements as a result of Covid-19.

As a result of these documents, it was proposed that the Local Code is updated to include emphasis on the inclusion of ethics in consideration of the organisation's values and add a new requirement at C14 in Appendix 1 to the report to ensure that the Council fully complies with the requirements of the CIPFA Financial Management Code.

An action plan to address areas for improvements in the Council's governance arrangements was presented as part of the preparation of the 2019/20 Annual Governance Statement which had been presented to Audit Committee in September 2020. The Finance Lead Specialist informed Members that Appendix 5 gave an update on the progress against the various actions.

No Member having raised any concern when asked by the Chairman, it was

RESOLVED – That:-

- (1) the amended Local Code of Governance, as at Appendix 1, be recommended to full Council for approval; and
- (2) the progress in implementing the Annual Governance Statement Action Plan, as at Appendix 5 be noted.

AUD/49 REVIEW OF EFFECTIVENESS OF THE AUDIT COMMITTEE

The Finance Lead Specialist (Section 151 Officer) reported that the annual review of the Audit Committee's effectiveness had been carried out using principles established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The conclusion of the review, was that with the exception of the inclusion of an independent member, the Committee can demonstrate that it has been established in accordance with best practice and that, while operating without an independent member, it has operated effectively during the last year.

No Member having raised any concern when asked by the Chairman, it was

RESOLVED – That:-

- (1) The Review of Effectiveness of the Audit Committee and its conclusion that the committee is operating effectively in all material aspects, be approved; and
- (2) The skills framework for members of the Audit Committee, as at Appendix 2 to the report, be noted.

The meeting ended at 8.40 p.m.