

South Lakeland District Council

Audit Committee

21 July 2016

AUDIT COMMITTEE RISK REGISTER

PORTFOLIO:	Not applicable
REPORT FROM:	Shelagh McGregor - Assistant Director Resources & S151 Officer
REPORT AUTHOR:	Helen Smith – Financial Services Manager
WARDS:	Not applicable
KEY DECISION:	Not applicable

1.0 EXPECTED OUTCOME

- 1.1 This report is presented to Audit Committee to facilitate the annual review of the Audit Committee Risk Register.

2.0 RECOMMENDATION

- 2.1 It is recommended that Audit Committee:-

(1) review the updated Audit Committee Risk Register.

3.0 BACKGROUND AND PROPOSALS

- 3.1 The Risk Register was last reviewed on 21 April 2016 and has been brought back with that meeting's recommendations included.

Appendix 1 shows the risks previously identified for the Audit Committee and those which have been archived. These risks have been reviewed and archived during the period the Committee has existed. These will continue to be reviewed annually.

- 3.2 The Committee at its April 2016 considered its four current risks:

3.2.1 **RISK AC 1:** The challenge from the committee is ineffective due to inexperience. This was archived on the 19/06/08, but resurrected as part of the review process at the 4 December 2014 Audit Committee. Due to the experience of long-standing Members and training for new Members this risk was down-graded.

3.2.2 **RISK AC 2:** This risk regards the ability of the Council to carry out its statutory requirements effectively due to limited resources as a result of the level of funding of local government. This risk is linked to the strategic risk around the Medium Term Financial Plan. The likelihood of this risk has been reduced to reflect the Council's robust financial planning process including the identification and delivery of savings.

However, the likelihood remains high as the current financial situation is particularly unpredictable following the outcome of the EU referendum, changes to Government and proposals for future changes in funding linked to 100% retention of business rates.

- 3.2.3 **RISK AC 3:** Members identified the risk regarding the statutory timetable for final accounts reporting from the 2017/18 accounts being earlier than present. Although officers are already factoring this in, achieving quality accounts on time was a risk that Audit Committee needed assurance on.

The new deadline will require the accounts for 2017/18 to be prepared and authorised by the Chief Finance Officer by the end of May 2018 and audited by the end of July 2018 which gives one month less for both the preparation and the audit of the accounts. Officers prepared a draft of the 2015/16 accounts by the end of the first week in June 2016 with only checks carried out for the remainder of June 2016. For 2016/17 the accounts will be completed and checked by the end of May 2017. External Audit will monitor the delivery of these timescales.

- 3.2.4 **RISK AC 4:** External Auditor appointment. The Council have until December 2017 to make an appointment for external auditors when the current arrangements come to an end. Previous appointments were made by the Audit Commission nationally and are currently overseen by Public Sector Audit Appointments Ltd (PSAA) on behalf of the Secretary of State. The Council has sent an expression of interest to PSAA for inclusion in a sector-led national procurement exercise.

- 3.3 Previous risks that have been considered and archived are:

RISK AC 001: Insufficient support/ backup provided to the committee: archived 19/6/08

RISK AC 002: The challenge from the committee is ineffective due to inexperience: archived on the 19/06/08

RISK AC 003: Officers do not recognise the importance of the Audit Committee: archived 10/2/11

RISK AC 004: Members do not recognise the importance of Audit Committee: archived 10/2/11

RISK AC 005: Perception that the Committee is too critical: archived 10/2/11

RISK AC 007: Significant changes to the membership In one year: archived 19/6/08

RISK AC 008 Lack of indicators or measurable outcomes to enable the committee to demonstrate progress and contribution: archived 18/7/13

RISK AC 009 The priority Significant Issues identified by Internal Audit are not addressed.

4.0 CONSULTATION

- 4.1 This report forms the consultation on the

5.0 ALTERNATIVE OPTIONS

- 5.1 No alternative options – risks should be reviewed and managed.

6.0 LINKS TO COUNCIL PRIORITIES

6.1 Risk management activity underpins Council Plan activity.

7.0 IMPLICATIONS

7.1 Financial and Resources

7.1.1 The proposed mitigations can be met within existing budgets.

7.2 Human Resources

7.2.1 The proposed mitigations can be met within the existing human resources available.

7.3 Legal

7.3.1 There are no additional legal requirements.

7.4 Health, Social, Economic and Environmental

Have you completed and Health, Social, Economic and Environmental Impact Assessment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, please confirm that it is attached to the report in the appendices.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If you have not completed an Impact Assessment, please explain your reasons.	The review of Audit Committee risks is a corporate governance issue and has no direct health, social, economic or environmental impacts.	

7.5 Equality and Diversity

Have you completed an Equality Impact Analysis?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, please confirm that it is attached to the report in the appendices.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If you have not completed an Impact Assessment, please explain your reasons.	The review of Audit Committee risks is a corporate governance issue and has no direct equality or diversity impacts.	

7.6 Risk

Risk	Consequence	Controls required
No significant risks associated with this report		

CONTACT OFFICERS

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APPENDICES ATTACHED TO THIS REPORT

Appendix No.	
1	Audit Committee Risk Register.

BACKGROUND DOCUMENTS AVAILABLE

Name of Background document	Where it is available
None	

TRACKING INFORMATION

Assistant Director	Portfolio Holder	Solicitor to the Council	SMT	Scrutiny Committee
12/7/16	n/a	n/a	n/a	n/a
Executive (Cabinet)	Committee	Council	Section 151 Officer	Monitoring Officer
n/a	n/a	n/a	12/7/16	n/a
Human Resource Services Manager	Leader	Ward Councillor(s)		
n/a	n/a	n/a		