

South Lakeland District Council
Audit Committee
Thursday, 25 July 2019
Audit Committee Risk Register

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|-----------------------|---|
| Portfolio: | Not applicable |
| Report from: | Helen Smith – Finance Lead Specialist (Section 151 Officer) |
| Report Author: | Helen Smith – Finance Lead Specialist (Section 151 Officer) |
| Wards: | Not applicable |
| Forward Plan: | Not applicable |

1.0 Expected Outcome

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

2.0 Recommendation

- 2.1 It is recommended that Audit Committee reviews and notes the updated Audit Committee Risk Register.**

3.0 Background and Proposals

- 3.1 The Risk Register was last reviewed on 5 December 2018 and has been brought back before the Committee 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Appendix 1 shows the risks previously identified for the Audit Committee and those which have been archived.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 meeting in December 2018 considered its three 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 in April 2016 but in July it was proposed the likelihood is increased from Very Low to Low to reflect the Committee's new membership.

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 risks remain as the current financial situation remains uncertain with the expected implementation of 75% retention of business rates and the results of the fair funding review now expected to slip from April 2020.

3.2.3 **RISK AC 3:** Members identified the risk regarding the statutory timetable for final accounts reporting from the 2017/18 accounts being a month earlier.

Officers prepared 2017/18 accounts by the end of May 2018. This risk was retained as there were a number of changes to the accounts required for 2018/19.

Officers prepared the 2018/19 accounts by the end of May 2019. It is proposed this risk is now archived.

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 1 replaces this risk.

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.

RISK AC 4: External Auditor appointment. The Council joined the sector-led national procurement exercise run by PSAA and the external auditors were re-appointed in December 2017.

4.0 Consultation

4.1 The Audit Committee risk register is considered by Audit Committee twice per year.

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

Financial, Resources and Procurement

7.1 The proposed mitigations can be met within existing budgets.

Human Resources

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

Legal

7.3 There are no additional legal requirements.

Health, Social, Economic and Environmental

7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

- 7.5 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.

Equality and Diversity

- 7.7 Have you completed an Equality Impact Analysis? No
- 7.8 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.

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. | Name of Appendix |
|--------------|--------------------------------|
| 1 | Audit Committee Risk Register. |

Background Documents Available

| Name of Background document | Where it is available |
|-----------------------------|-----------------------|
| None | |

Tracking Information

| Signed off by | Date sent |
|---------------------|-----------|
| Legal Services | 10/07/19 |
| Section 151 Officer | 10/07/19 |
| Monitoring Officer | 10/07/19 |
| SMT | N/A |

| Circulated to | Date sent |
|-------------------------|-----------|
| Human Resources Manager | N/A |
| Communications Team | N/A |
| Leader | N/A |
| Committee Chairman | N/A |
| Portfolio Holder | N/A |
| Ward Councillor(s) | N/A |
| Committee | 25/7/19 |
| Executive (Cabinet) | N/A |
| Council | N/A |