

Appendix 1

Audit Committee Risk Register

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Generated on: 10.07.2019 Audit Committee

The Risk matrix shows how risks are prioritised:

Likelihood	High			Priority risks which require mitigating controls and quarterly review	
	Medium				
	Low	Low priority risks which require annual review			
	Very Low				
		Negligible	Marginal	Serious	Critical
		Impact			

Audit Committee Risks:

2019/20 Risk Register

Risk No. & Title		RISK AC 1 The challenge from the committee is ineffective due to inexperience					
Risk Priority		Latest Note	<p>Audit Committee of 19/06/08 decided that this risk should be archived as is no longer relevant. The Audit Committee of the 23/07/15 decided that this risk should be re-instated as 2 new members were added to the Committee at the 20 May 2015 Annual Council. In April 2016 the likelihood was reduced reflecting the experience and training of the existing Committee members.</p> <p>Update July 2018: Four new Committee members: Proposed likelihood increased from Very Low to Low.</p> <p>Update Dec 2018: No change proposed</p> <p>Update July 2019: Three new Committee members: no change proposed</p>				
Actions to control this risk	Provide suitable development opportunities to prepare Members to make an effective contribution.	Action completed?	Commenced	Due Date	Throughout 2018/19	Actioned	Helen Smith

Risk No. & Title		RISK AC 2 Audit Committee ineffective due to limited resources following Government changes to the funding of local government. Local authorities continue to face unprecedented challenges, relating to the pressures of austerity and central government funding reductions, and demographic and technological change.				
Risk Priority		Latest Note				
Actions to control this risk	Quarterly monitoring of MTFP financial model & risks	Action completed?	Ongoing	Due Date	Ongoing: see MTFP	Actioned Helen Smith
		<p>Audit Committee of 4 December 2014 added this risk. In April 2016 the risk was amended to concentrate on the impact of funding cuts on the ability of the Council to meet its statutory requirements. This risk links to the Medium Term Financial Plan strategic risk. The latest Medium Term Financial Plan will be considered by Overview and Scrutiny Committee, Cabinet and Council during 2017.</p> <p>In July 2017 the likelihood was reduced from medium to low.</p> <p>Council approved the Medium Term Financial Plan 2018/19 – 2022/23 in July 2017.</p> <p>Budget updates during November 2017 – February 2018 will include updates to the MTFP projections.</p> <p>July 2018: Proposed no change to assessment.</p> <p>Dec 2018: Proposed no change to assessment. Draft Budget report to Cabinet 28 November 2018 identifies future deficits, Provisional Local Government Finance Settlement due 6 December 2018, Fairer Funding review and proposals for 75% business rate retention ongoing.</p> <p>July 2019: Proposed no change to assessment: Medium Term Financial Plan identifies potential slippage in Fairer Funding review</p>				

Risk No. & Title		RISK AC 3 The Council fail to meet the tighter timescales for the preparation of final accounts from 2017/18 onwards.				
Risk Priority		Latest Note				
Actions to control this risk	Review the 2018/19 closedown	Action completed?	Ongoing	Due Date	Audit Committee July 2019	Actioned Helen Smith
		<p>The new deadlines 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 audit of the accounts. For 2016/17 the accounts were completed and checked by the end of May 2017.</p> <p>An unqualified audit opinion was issued in September 2017 in relation to the 2016/17 accounts and no material errors were identified.</p> <p>July 2018: Accounts prepared and published by 31 May 2018. Audit ongoing at time of report preparation.</p> <p>Dec 2018: Proposed no change to assessment: preparation of Accounts is a complex process, requiring significant skilled & experienced staff. New reporting standards for 2018/19 accounts.</p> <p>July 2019: Accounts for 2018/19 produced by deadline. Propose archive this risk.</p>				

**Archived as agreed by previous Audit Committees
Listed in order of Risk No. & Title**

Risk No. & Title		RISK AC 001 Insufficient support/ backup provided to the committee	
Risk Priority	<p>Likelihood</p> <p>Impact</p>	Latest Note	Audit Committee of 19/06/08 decided that this risk should be archived as is no longer relevant

Risk No. & Title		RISK AC 002 The challenge from the committee is ineffective due to inexperience	
Risk Priority	<p>Likelihood</p> <p>Impact</p>	Latest Note	Audit Committee of 19/06/08 decided that this risk should be archived as is no longer relevant. The Audit Committee of the 23/07 decided that this risk should be re-instated as 2 new members were added to the Committee at the 20 May 2015 Annual Council. This is included as a new risk below the line of tolerance.

Risk No. & Title		RISK AC 003 Officers do not recognise the importance of the Audit Committee	
Risk Priority	<p>Likelihood</p> <p>Impact</p>	Latest Note	Audit Committee of 10/02/11 decided to archive this risk

Risk No. & Title		RISK AC 004 Members do not recognise the importance of Audit Committee	
Risk Priority	<p>Likelihood</p> <p>Impact</p>	Latest Note	Audit Committee of 10/02/11 decided to archive this risk

Risk No. & Title	RISK AC 005 Perception that the Committee is too critical		
Risk Priority		Latest Note	Audit Committee of 10/02/11 decided to archive this risk

Risk No. & Title	RISK AC 006 Insufficient capacity from Members to make the Committee effective		
Risk Priority		Latest Note	Audit Committee of 18/07/13 decided to archive this risk

Risk No. & Title	RISK AC 007 Significant changes to the membership In one year		
Risk Priority		Latest Note	Audit Committee of 19/06/08 decided that this risk should be archived as is no longer relevant

Risk No. & Title	RISK AC 008 Lack of indicators or measurable outcomes to enable the committee to demonstrate progress and contribution.		
Risk Priority		Latest Note	Audit Committee of 18/07/13 decided to archive this risk

Risk No. & Title	RISK AC 009 The priority Significant Issues identified by Internal Audit are not addressed		
Risk Priority		Latest Note	Audit Committee of 4 December 2015 decided to archive this risk.

Risk No. & Title	RISK AC 4 The Council fails to appoint external auditors in accordance with statutory requirements.		
Risk Priority		Latest Note	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 on behalf of the Secretary of State. The Council has joined the Sector Led body procurement exercise. This reduces the likelihood

			<p>of failing to properly appoint an external auditor in accordance with statutory requirements through an Audit Panel.</p> <p>PSAA Ltd have consulted the Council on the proposed appointment of auditor, this will be confirmed in December 2017.</p> <p>December 2017: Proposed that risk likelihood reduced from low to very low</p> <p>Archived: following December 2017 meeting.</p>				
Actions to control this risk	Review the progress of the proposed sector-led procurement exercise	Action completed?	Ongoing	Due Date	During 2016/17	Actioned	Shelagh McGregor