



Councillor Karl Arthur – Chair of Audit and Governance Committee

Update to Council on 28th September 2021

The committee has met once since the last update provided to the Council on 22nd July 2021. The meeting took place on Tuesday 27th July 2021.

Audit and Governance Committee Meeting – 27th July 2021

Unfortunately, I was unable to attend the meeting due to ill health, but I would like to take this opportunity to thank Councillor Neil Reader for stepping in at short notice and chairing the meeting and officers and members for supporting Councillor Reader and for their input during the course of the meeting.

This committee meeting had 12 agenda items on it and amongst the items discussed was the External Audit Progress Report which was presented by the Chief Finance Officer and which members duly noted.

Members also discussed the Draft Annual Governance Statement for 2020-21 which would form part of the Statement of Accounts being brought to the committee at the meeting being held on 29 September 2021.

In relation to a non-compliance with the Payment Card Industry Data Security Standard (PCI DSS) members noted that the new Income Management System required to help overcome this had been delayed to allow a review of the proposed approach to taking payments over the telephone. It was reported by officers that work on this area was ongoing with a revised completion date of 5 October 2021 for implementation of the new approach.

Additionally, it was reported that the Performance Management Action had been delayed as a direct response to Covid-19 as staff had been temporarily seconded to other teams within the council to provide assistance in tackling the pandemic. A revised date of 30 September 2021 had been agreed for the completion of this item.

In response to a query from a member relating to what areas of weakness had been found within the Payment Card Security, it was confirmed by officers that the new Income Management System would resolve any issues and that the new system would enable the council to be PCI DSS compliant. Members expressed assurance that they felt that the security was in place and performing well.

The Committee also received the Annual Report of the Head of Internal Audit for 2020-21, the Annual Counter Fraud Report and the Annual Information Governance Report from the Audit Manager at Veritau. The reports summarised internal audit

work carried out since April 2020 and the counter fraud and information governance work carried out during the year 2020-21. The overall opinion of the Head of Internal Audit was that it provided reasonable assurance but that this was qualified in the light of the pandemic and its impact on the council.

The Counter Fraud Manager, Veritau presented the section of the report relating to the council's counter fraud activity in 2020-21. This report highlighted that actual savings of £12k had been achieved through fraud investigation in addition to over £30K of Covid-19 fraud prevention, and that there had been a 16% drop in the number of suspected fraud referrals in 2020-21 which was attributed to there being less social interaction between members of the public caused by the pandemic.

Members queried the validity of the applications received for Covid-19 Grant Support and were assured by officers that most of the applications were genuine with robust checking arrangements in place to prevent fraud. Members also queried that once a fraud investigation had taken place and if proven, whether the culprits were prosecuted. It was confirmed that Veritau would recommend pursuing the matter through the courts and that Selby District Council took the matter very seriously.

Members noted these reports.

In addition, the committee received the Risk Management Annual Report 2020-21 from the Audit Manager, Veritau, summarising the risk management activity during the year 2020-21 together with proposed actions for the 2021-22 municipal year which members noted.

Finally, the committee received an update on the Corporate Risk Register for 2021-22 and noted that the Local Government Re-organisation (LGR) had been added to the register as it was described as an "existential threat" to the council. Members were assured that an action plan had been developed for all risks requiring active management and that the Corporate Risk Register continued to be closely monitored.

Next Meeting of the Committee

The next meeting of the Audit and Governance Committee will be taking place on Wednesday 29 September 2021 commencing at 5pm.

I commend my statement to the council.

Cllr. Karl Arthur

Chair, Audit and Governance Committee