



Councillor Karl Arthur – Chair of Audit and Governance Committee

Update to Council 17th December 2019

The Audit and Governance Committee has met once since the last update provided to the council on 17th September 2019. This meeting took place on Wednesday 23rd October 2019.

Audit and Governance Committee Meeting – 23rd October 2019

The Audit and Governance Committee agenda was very busy on 23rd October 2019 - with no fewer than fourteen items on the agenda - and I would like to take this opportunity to thank committee members and officers for their support and comments during the course of the meeting.

Items covered during this meeting included the Internal Audit and Counter Fraud Progress report, the External Annual Audit Letter and the External Audit Progress Report which the committee noted.

The Committee also discussed the Local Government and Social Care Ombudsman Annual Review Letter 2018-19 and heard that the council had received fifteen complaints in the year 2018-19 with five referred back to the council for a local resolution; of the remaining ten only three cases had been progressed to a detailed investigation by the Ombudsman, of which two had been upheld. It was agreed by the committee that the Solicitor to the Council would circulate the details of the two upheld complaints to the committee and that the committee would note the report.

The committee considered a report on the re-admittance of Scarborough Borough Council (BC) into the internal audit company, Veritau - North Yorkshire. Members were informed that there would be no financial impact on the existing district councils (including Selby District Council) involved with Veritau – North Yorkshire and that Scarborough BC would themselves be making a capital contribution of £10K to enable them to re-join the company. Members also heard that all four Board representatives of the existing district councils were supportive of the re-admittance as it was felt that it would add resilience and more efficiency to the councils internal audit service. Members were supportive and noted the report.

Members also discussed the Internal Audit, Counter Fraud and Information Governance Progress Report 2019-20 and queried the purpose of the Information Asset Register (IAR) and were informed by the Chief Finance Officer that the IAR was required by law. Members inquired as to how the individual audits were prioritised, and whether the Committee could have an input into this and were

informed that the committee was consulted on the work programme, it was then agreed with officers to ensure that the audits were spread over different services based on a risk assessment. Officers also confirmed that an audit status update could be provided with start and end dates. Members noted the report.

In conjunction with the Internal Audit Report for 2019-20 members also discussed proposed changes to the Internal Audit Charter and requested a number of amendments be made to the revised Charter. The committee then approved the revised Internal Audit Charter subject to the amendments suggested.

The Committee also considered an Internal Audit Report in which Veritau stated had received an overall opinion that the controls within the system had only provided "Limited Assurance" and that as such this needed to be brought before the committee for discussion. The Chief Finance Officer informed the Committee that actions had been agreed to address the issues identified and that many of these actions had already been completed. It was agreed with members that this area would be reviewed in 2020-21 in order to ensure that the improvements highlighted had taken place. The committee declared itself satisfied that the appropriate action was being taken to rectify the situation.

Finally, members also reviewed the Audit Action Log and it was noted that the information requested in relation to the Annual Report of the Head of Internal Audit 2018-19 had been circulated to the Committee and that therefore the actions were noted as having been completed.

Audit Committee Member Training

A training session was held for Committee Members directly ahead of the meeting on the 23rd October 2019 which was provided by Veritau and focused on issues relating to internal audit, counter fraud and information governance. The training session was well attended and I would like to record my thanks to Veritau for providing this session and also to members for their attendance and participation.

I commend my statement to the Council.

Councillor Karl Arthur

Chair, Audit and Governance Committee