

**To the Chair and Members of the
AUDIT COMMITTEE**

**ASSESSMENT OF CURRENT LOCAL GOVERNMENT RISKS – KPMG AUDIT COMMITTEE
INSTITUTE**

EXECUTIVE SUMMARY

1. KPMG, the Council's external auditors gave a presentation to Members immediately before the Audit Committee meeting of 29th January 2014 on current local government issues. The event was designed to indicate to Audit Committee Members some of the key current issues that they may need to be aware of in fulfilling their responsibilities.
2. It was agreed at the presentation to provide a report to Members showing the Council's current position in relation to the risks highlighted by KPMG.
3. A reminder of the risks highlighted by KPMG and an assessment of the Council's position in each of the areas is included in **Appendix 1**. The assessment shows that the Council has substantially appropriate arrangements in place in the areas highlighted by KPMG.
4. However, there are a small number of areas where additional information could be brought forward to the Audit Committee, to help it to get a fuller understanding of issues relevant to its Terms of Reference. These are:
 - a. Summaries of appropriate Public Interest Reports should be presented to the Audit Committee along with confirmation of arrangements in place at the Council in the areas covered by the reports
 - b. Reports on whistleblowing cases should be forwarded routinely to the Audit Committee where they involve issues relating to the Committee's Terms of Reference
 - c. The Whistleblowing and related policies will be reviewed in line with recent guidance and best practice identified elsewhere to ensure that genuine concerns can be reported and sensitively and effectively assessed and managed.
 - d. The Authority's ability to deliver proactive and reactive fraud work should be reviewed and appropriate arrangements put in place which might involve a stand-alone counter fraud unit / fraud team or a virtual fraud team.
5. It is proposed to bring forward reports in each of these areas in the future as appropriate.

RECOMMENDATIONS

6. The Audit Committee is asked:

- **to note the Council's position in the current risk areas highlighted by KPMG and the key areas covered and**
- **to support the future proposed actions identified.**

BACKGROUND

5. KPMG, the Council's external auditors, have established an Audit Committee Institute for local government Audit Committee Members. The Institute plans to meet on a regular basis (with a frequency of 2 or 3 times per year), with invites sent out to all audit committee members of authorities audited by KPMG in the region.
6. The Institute will cover topical issues and flag up emerging risk areas for Members to be aware of and to seek assurances as to their organisations' responses to the risks.

OPTIONS CONSIDERED & RECOMMENDED OPTION

8. This is not applicable to this report.

IMPACT ON THE COUNCIL'S KEY OBJECTIVES

9. This report reviews how effectively the Council is managing risks that threaten the achievement of the Council's objectives. Any improvement in the management of the risks will have a positive impact thereby increasing the likelihood of the Council achieving its objectives.

RISKS & ASSUMPTIONS

10. Implementation of the recommendations is a response to identified risks and hence is an effective risk management action.

LEGAL IMPLICATIONS

11. There are no specific legal implications associated with this report.

FINANCIAL IMPLICATIONS

12. There are no specific financial implications associated with this report.

CONSULTATION

13. This report has no specific significant implications in terms of the following:

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| Procurement | | Crime & Disorder | |
| Human Resources | | Human Rights & Equalities | |
| Buildings, Land and Occupiers | | Environment & Sustainability | |
| ICT | | Capital Programme | |

BACKGROUND PAPERS

14. KPMG "Audit Committee Institute Local Government Programme Autumn 2013" (Power point presentation)

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