

Audit Committee – 04 January 2024

Minutes of the meeting of the Audit Committee held on 4 January 2024 when there were present:-

Chairman: Cllr R Milne
Vice-Chairman: Cllr S A Wilson

Cllr M R Carter
Cllr Mrs E P Gadsdon

Cllr R C D Linden
Cllr D W Sharp
Cllr Mrs V A Wilson

APOLOGIES FOR ABSENCE

Cllr J N Gooding
Cllr A L Williams

OFFICERS PRESENT

E Yule - Strategic Director
M Porter - Audit and Counter Fraud Manager
V Meanwell - Democratic Services Officer

1 MINUTES

The minutes of the meeting held on 27 September 2023 were approved as a correct record and signed by the Chairman.

2 AUDIT PROGRESS REPORT 2 – 2023-24

Members considered the report of the Audit and Counter Fraud Manager providing an update of progress made against the annual audit plan for 2023/24, and action taken by Service departments in implementing audit recommendations.

In response to a Member question the Audit and Counter Fraud Manager explained that the Council will never be able to totally prevent the threat of a cyber-attack but did have good mechanisms in place to protect the Council as far as possible. This also included training for staff as most cyber-attacks are a results of human error in clicking on unsafe links or opening corrupted files.

The Strategic Director directed the Members to Risk 18 on the report which gives a good summary and an acknowledgment of the risk of cyber-attacks and the range of activities being completed to mitigate the risks and protect the Council's systems and data.

A Member voiced a concern that there was no ICT Service Plan, and this could be a risk. There are Service Plans in place and there are improvements being made to infrastructure and software, the documents may just need improving to ensure that they meet the requirements of the audit.

A Member asked what the Public Service Networking expiring in 2022 meant for the Council. It was explained that this network was the Government Secure Network that was previously used, it expired in 2022 and was replaced with an alternative system which the Council had implemented. It was explained that the Council have a number of different antivirus and firewall products in place, providing different layers of security and was just one of a number of lines of defence including education and training.

In response to a Member question the Strategic Director explained that there are regular backups of data and that data is stored on the cloud, which would be a secure way to roll back to a point prior to an attack. There are strong recovery systems and business continuity processes in place.

In response to a Member question the Audit and Counter Fraud Manager explained that that he could not personally give an assurance that a documented long term ICT strategy would be produced by 30th June 24. However, the implementation date had been provided by the Service Manager and the Director so Members could be assured that the team responsible for delivery the action agreed that this was an achievable date.

The Strategic Director explained that currently there was no singular ICT strategy document. The team will be able to use to the existing individual plans and documents to produce an overarching holistic strategy, so it would not be a case of starting from scratch.

In response to a Member question the Strategic Director explained that a Corporate Manager IT & Digital was now in place and will be looking at the strategies and using the efficiency of sharing resources across the two councils. The Council is resourced to complete the work.

In response to a Member question about the issues identified in the HR recruitment processes audit, the Audit and Counter Fraud Manager explained that Appendix 4 of the document details the recommendations and progress made against those recommendations.

3 RISK MANAGEMENT UPDATE

Members considered the report of the Interim Director Resources providing a revised Insurance and Risk Management Strategy and an updated Risk Register.

In response to a Members question the Strategic Director explained that every contract entered into includes provision for insurance and liability for claims. This is dealt with on a contract-by-contract basis. The insurance policies for the Council are reviewed on an annual basis and the most cost effective would be

procured. It was explained that currently there is no centralised scheme for Local Authorities to have cheaper insurance provided to them and it is up to each authority to engage their own provider.

In response to a Members question the Audit and Counter Fraud Manager explained that the insurance arrangements are internally audited but could not comment if there had been an external independent audit. The Strategic Director explained that external auditors do require the Council to make a statement to confirm that insurance levels are adequate. The Strategic Director will pick this up with Director of Resources and take forward as a suggestion to look to an external specialist completing a review and making recommendations to any shortfalls.

Cllr R Milne moved a Motion seconded by Cllr S A Wilson that the recommendations on page 7.1 of the report be approved. This was approved on a show of hands.

(5 Members voted in favour of the Motion, 0 against and 2 abstained)

Resolved

- (1) That the revised Insurance & Risk Management Strategy is agreed (IDR)
- (2) That the Committee notes the report (IDR)

4 AUDIT PLANNING REPORT 2021/22

A Member raised a question regarding the report and the pension deficit of £21.2m reported back in March 2022 and would like to know what the percentage that represents as a shortfall compared to a fully funded position. Has the position changed and if so is there a programme in place for RDC to fund that gradually to restore a fully funded position. Officers advised that they report back to Members on this outside the meeting.

Cllr R Milne moved a Motion seconded by Cllr Mrs E P Gadsdon to defer this item until the next meeting to allow a representative of Ernst and Young to be in attendance. This was unanimously agreed.

Resolved

This item be deferred until the next meeting to allow a representative of Ernst and Young to be in attendance. (IDR)

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The meeting closed at 20.10.

Chairman

Date

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