

FC 69.17 Finance Reports to Full Council – 11 September 2017

Report 1 Annual External Audit

A number of queries were raised by the External Auditor (Mazars) in August, most of which were resolved satisfactorily by the Clerk. Mazars indicated at the beginning of August that the return had passed its audit without qualification, however later in the month a further query was raised by their further review team who identified that the Annual Risk Assessment carried out at the end of the financial year had been authorised in April 2017 rather than during the 12 month period covered by the audit. As it is a requirement for the Council to undertake a risk assessment every financial year (See extract below from the Practitioner's Guide 2017) the Council should have answered No to Question 5 of the Annual Governance Statement.

As a consequence the Council is asked **to note** that the Annual Return will need to be qualified on this occasion. Although there is no additional charge associated with qualification it would have an implication should the Council be seeking Quality Council status, as a qualified Annual Return would prevent the Council from receiving that status in the year.

Assertion 5: Risk Management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

In order to warrant a positive response to this assertion, the authority needs to have the following arrangements in place:

1.31 **Identifying and assessing risks.** The authority needs to identify, assess and **record risks** associated with actions and decisions it has taken or considered taking **during the year** that could have financial or reputational consequences.

1.32 **Addressing risks.** Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.

1.33 **Supporting information** on risk management can be found in Section 5.

Report 2 Review of Authorised Cheque Signatories

It is recommended that the current Chair and Vice Chair be appointed as approved Council signatories for all accounts.

Report 3 Authorisation of payments

List to follow