

Response from the Audit Committee Chairman with regard to the questions raised during Public Question Time at the Audit Committee on 17 November 2020.

It is the Audit Committee's role to ensure that corporate and service risk is identified and managed and systems are put in place to report on and mitigate all controllable activities. As I am sure all members are aware an external commission was procured that looked in to both **Governance** and **Financial Viability** of the company.

These 2 commissions were reported to the Cabinet, Scrutiny and the Audit Committee – in all, 33 recommendations were made and I am assured that most of these actions have been implemented or are being progressed. I see this as a key control mechanism and my Committee is very interested in this progress and would be asking searching questions if it wasn't being provided.

The 3 questions that you have raised are items of company performance and as such are in my opinion within the domain of the Shareholder (exercised by the Cabinet) it would only then be subject to review of the Audit Committee if it was felt that risks were not being sufficiently managed.

It would currently appear that the 3 issues that you have identified are either being controlled by the existing company processes, or are being dealt with, by the officer and member group working on the previously mentioned reports considered by Cabinet, Scrutiny and Audit. My Committee is currently gaining assurance from the now monthly progress reports being provided to Cabinet which is reporting on both individual project performance and also providing commentary on progress against the 33 recommendations.

From a control and reporting perspective my Committee takes reassurance from the fact that external accountants provide monthly financial management reports to the company and ensures all key transactional processes are complied with and then delivers annual accounts at year end in full compliance with all relevant regulatory requirements. My Committee is also aware of the internal process where loan interest is calculated in full accordance with the loan agreement terms and is billed to the company on a quarterly basis.

Finally, I also now welcome the opportunity to discuss any other outstanding queries that Members have at the joint working group meeting of Scrutiny and Audit which is scheduled for 11 January 2021.