

AUDIT & GOVERNANCE COMMITTEE

HELD: Tuesday, 28 January 2020

Start: 6.35 pm

Finish: 7.15 pm

PRESENT:

Councillor: N Furey (Chairman)

Councillors: T Blane I Davis
C Dereli J Gordon
J Mee M Nixon
P O'Neill D West

In attendance: Andrew Smith and Stuart Basnett from Grant Thornton

Officers: Marc Taylor, Head of Finance, Procurement and Commercial Services
Jacqueline Pendleton, Internal Audit Manager
Tom Dickinson, Principal Solicitor
Adam Spicer, Assistant Solicitor
Kirsty Breakell, Member Services / Civic Officer

39 APPOINTMENT OF CHAIRMAN

Councillor P. O'Neill was appointed Chair for the start of the meeting and Councillor Furey assumed the Chair upon his arrival.

40 APOLOGIES

Apologies were received on behalf of Councillor Pope.

41 MEMBERSHIP OF THE COMMITTEE

In accordance with Council Procedure Rule 4, the Committee note the termination of membership of Councillor N Pryce-Roberts and the appointment of Councillor D West for this meeting only, thereby giving effect to the wishes of the political groups.

42 URGENT BUSINESS

There were no urgent items of business.

43 DECLARATIONS OF INTEREST

There were no declarations of interest.

44 MINUTES OF PREVIOUS MEETING

RESOLVED: That the minutes of the meeting held on the 29 October 2019, be approved as a correct record and signed by the Chairman.

45 PUBLIC SPEAKING

There were no items under this heading.

46 GRANT THORNTON ANNUAL AUDIT LETTER

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 449–464 of the Book of Reports, the purpose of which was to consider the external Auditors, Grant Thornton's, Annual Audit Letter for the year ended 31st March 2019.

The Chairman invited Andrew Smith from Grant Thornton to present the Annual Audit Letter to the Committee.

Comments and questions were raised in respect of the following:

- Have all previously raised issues been resolved? It was confirmed that the Accounts have been signed off and there are no outstanding issues.

RESOLVED: That the letter be noted.

(Note Councillor Furey arrived during this item)

47 GRANT THORNTON PROGRESS UPDATE

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 465–473 of the Book of Reports, the purpose of which was to receive an update from the Council's external Auditors, Grant Thornton, on a range of different matters.

The Chairman invited Andrew Smith from Grant Thornton to present the Progress Report to the Committee. He confirmed that all accounts, including the Council's annual Housing Benefit Subsidy claim for 2018/19, have been certified and the audits have been closed. Andrew Smith advised of changes which will affect the 2019/20 audit as a result of changes within the finance industry.

Comments and questions were raised in respect of the following:

- The impact of the new changes being introduced
- The lack of resources and finances across the industry
- People leaving the profession, making recruitment difficult
- Workloads being spread over longer periods meaning deadlines will be missed.
- Representations made to Government by Representatives of the Finance industry.
- Focus of new regulation being in the wrong direction and not what users need.
- Cost of new regulation being disproportionate to workloads.
- Cost to WLBC of audits under new regulation is likely to rise, but is still likely to be cheaper than previous method of audits.

RESOLVED: That the Grant Thornton Progress Report be noted.

48 REGULATION OF INVESTIGATORY POWERS ACT - ANNUAL SETTING OF THE POLICY AND REVIEW OF USE OF POWERS

Consideration was given to the report of the Legal and Democratic Services Manager as contained on pages 475–503 of the Book of Reports, the purpose of which was to report on the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA) and to present an updated RIPA policy document for approval.

The Chairman invited Tom Dickinson, Principal Solicitor, to present the report to the Committee.

Comments and questions were raised in respect of the following:

- Changes to policy are due to restructure and relate to personnel changes only, no change have been made to the actual policy.
- Process in place if we need to use the Act and the reporting of any use back to the Committee.

RESOLVED: That the Council's RIPA activity and the updated RIPA Policy at appendix 1, be noted.

49 RISK MANAGEMENT FRAMEWORK AND POLICY UPDATE

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 505–517 of the Book of Reports, the purpose of which was to set out details of the Risk Management Framework over the last twelve months and to recommend changes to the current Risk Management Policy.

The Head of Finance, Procurement and Commercial Property outlined the report and confirmed there were no significant issues and the framework was working correctly. The proposed changes to the policy were shown as tracked changes in the appendix for approval by Cabinet in March.

RESOLVED:

- That the continuing effective operation of the Risk Management Framework be noted
- That the proposed amendments to the Risk Management Policy set out in the appendix, be endorsed for approval by Cabinet in March 2020.

50 INTERNAL AUDIT ACTIVITIES - QUARTERLY UPDATE

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 519 – 528 of the Book of Reports, the purpose of which was to advise of progress against the 2019/20 Internal Audit Plan.

The Internal Audit Manager, Jacqueline Pendleton, presented the Internal Audit Activities, Quarterly Update Report and gave a full update, to include progress to date and ongoing actions.

RESOLVED: That Members note progress in the year to date.

51 **ANTI MONEY LAUNDERING POLICY**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 529–547 of the Book of Reports, the purpose of which was to set out the results of a review of the Council's Anti-money Laundering Policy.

The Internal Audit Manager, Jacqueline Pendleton, presented the Anti-money Laundering Policy and confirmed the same would require amendments once the UK leaves the European Union.

RESOLVED: That the updated Anti-money Laundering Policy as set out in Appendix 1 to the report, be endorsed.

52 **WORK PROGRAMME**

Consideration was given to the Committee's Work Programme as set out at page 549 of the Book of Reports.

Comments and questions were raised in respect of the following:

- Members to return to their groups to discuss ideas for Oct 2020 and Jan 2021 briefings sessions.
- Ideas to be passed to Marc Taylor through the Chairman.
- Future proposed briefings could lead to new ideas.
- Councillor Dereli advised she would like a more in-depth training on budget reading.

RESOLVED:

- That the work programme be noted
- That the Chairman provide Marc Taylor with details of future briefings required.

.....
Chairman