

## **AUDIT & GOVERNANCE COMMITTEE**

**HELD: Tuesday, 30 July 2019**

Start: 6.37pm

Finish: 7.35 pm

### **PRESENT:**

Councillor: C Cooper (Chairman)

Councillors: N Pryce-Roberts T Blane  
C Dereli J Gordon  
J Mee M Nixon  
P O`Neill E Pope  
A Pritchard I Rigby

In attendance: Andrew Smith (Grant Thornton)  
Georgia Jones (Grant Thornton)

Officers: Terry Broderick, Borough Solicitor  
Marc Taylor, Borough Treasurer  
Jacqueline Pendleton, Internal Audit Manager  
Tom Dickinson, Assistant Solicitor  
Kirsty Breakell, Member Services / Civic Officer

### 16 **APOLOGIES**

There were no apologies received

### 17 **MEMBERSHIP OF THE COMMITTEE**

There were no changes to the Membership of the Committee.

### 18 **DECLARATIONS OF INTEREST**

There were no declarations of Interest received.

### 19 **PUBLIC SPEAKING**

There were no items under this heading.

### 20 **MINUTES**

RESOLVED: That the minutes of the meeting held on the 28<sup>th</sup> May 2019, be approved as a correct record and signed by the Chairman.

### 21 **GRANT THORNTON - AUDIT FINDINGS REPORT**

Consideration was given to the report of the Borough Treasurer as circulated and contained on pages 79-80 and 131-158 of the Book of Reports. The purpose of the report was to receive a report from the Council's External Auditors, setting out their findings on the audit of the accounts and on value for money.

The Chairman invited Andrew Smith and Georgia Jones from Grant Thornton to present their draft Audit Findings Report to the Committee.

Comments and Questions were raised in respect of the following:-

- The pension fund and the impact of the Court of Appeal ruling of "McCloud".
- How the court ruling is affecting other Councils
- Giving value for money
- Delays to the completion of the audit due to the McCloud pension impact and issues around asset valuation
- Timescales for the completion of the audit

RESOLVED: That the draft Audit Findings Report be noted and that the final version will be circulated to Members of the Committee as soon as it is received

## 22 **APPROVAL OF STATEMENT OF ACCOUNTS**

Consideration was given to the report of the Borough Treasurer as circulated and contained on pages 81-82 and 159-268 of the Book of Reports. The purpose of the report was to approve a Letter of Representation and the Council's annual Statement of Accounts.

The Borough Treasurer outlined the report and advised that the audit is not yet complete. He advised of a further change to the statement of accounts in relation to the deletion of the last 2 paragraphs in note 38 Contingent Assets and Liabilities, which are no longer required. He confirmed that he would circulate to the Committee a final copy of the statement once the audit is completed, highlighting any further changes.

Comments and Questions were raised in respect of the following:-

- The impact of the changes made to the draft statement of accounts which had been published at the end of May 2019
- The reason for the increase in expenditure on Financial and HR Services, which was due to the McCloud pension impact
- The expected timescale to complete the accounts and publication of the relevant statutory notice.

RESOLVED: A. That the Letter of Representation set out in Appendix 1 be endorsed.

B. That the Statement of Accounts set out in Appendix 2, amended as above be approved, subject to consideration of any further changes that may be required as a result of the further audit work that will be undertaken.

## 23 **INTERNAL AUDIT ACTIVITIES - QUARTERLY UPDATE**

Consideration was given to the report of the Borough Treasurer as contained on

pages 83-94 of the Book of Reports. The purpose of the report was to advise of progress against the 2019/20 Internal Audit Plan.

The Internal Audit Manager presented the Internal Audit Activities, Quarterly Update Report.

Comments and Questions were raised in respect of the following:-

- Home Care Link regarding the recommendations previously made – It was confirmed that a full review will be undertaken in September 2019 and the results reported back to the Committee in October 2019.
- The reporting arrangements for audits outstanding from the 2018/19 financial year.
- Safety issues for refuse and recycling
- Any identified losses in the Caretaking service.
- Systems for staff records and Management responsibility for monitoring these in the Caretaking service.

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

#### 24 **ANTI-FRAUD AND CORRUPTION REVIEW**

Consideration was given to the report of the Borough Treasurer as contained on pages 95-112 of the Book of Reports. The purpose of the report was to provide a summary of the outcome of the review undertaken in respect of the Council's compliance with the CIPFA Code of Conduct on Managing the Risk of Fraud and Corruption.

The Internal Audit Manager presented the Anti-Fraud and Corruption Review.

Comments and Questions were raised in respect of the following:-

- Any impact from the Internal Audit Manager vacancy in the last financial year.
- Explanation of framework used.
- Areas of partial and non-compliance.

RESOLVED: That the combined self-assessment and action plan set out in Appendix 1 be noted.

#### 25 **WHISTLEBLOWING CODE**

Consideration was given to the joint report of the Borough Solicitor and Borough Treasurer as contained on pages 113-127 of the Book of Reports. The purpose of the report was to provide the updated version of the Council's Whistleblowing Code.

The Borough Solicitor presented the Whistleblowing Code report.

RESOLVED: A. That the updated Whistleblowing Code, as set out in Appendix 1, be considered and endorsed as a completed document (with the tracked

changes accepted into the document).

B. That Council be recommended to approve the updated Whistleblowing Code at Appendix 1 (with the tracked changes accepted into the document).

**26 RIPA ACT - REGULAR MONITORING OF USE OF POWERS**

In relation to the quarterly monitoring of activity under the Regulation of Investigatory Powers Act 2000 (RIPA), the Borough Solicitor reported that there were no relevant activity to bring to the attention of the Committee since the last meeting.

RESOLVED: That the report be noted.

**27 WORK PROGRAMME**

Consideration was given to the Committee's work programme as set out on page 129 of the Book of Reports.

Discussion included comments in relation to the sufficiency of the time allocated to the training session ahead of each meeting of the committee and how this fits with the Council's wider training offer for Members.

RESOLVED: In terms of briefing (training) proposed that:

- A) Social Value (in the procurement process) be moved to January 2020
- B) Terms of Reference of the Committee be added for October 2019
- C) Key Features of the Accounts be added for May 2020
- D) Training arrangement for the Committee be referred to the Member Development Commission for consideration.

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**Chairman**