

## **AUDIT & GOVERNANCE COMMITTEE**

**HELD: Tuesday, 28 July 2020**

Start: 6.30 pm

Finish: 8.00 pm

### **PRESENT:**

Councillor: N Furey (Chairman)  
P O'Neill (Vice-Chairman)

Councillors: T Blane N Pryce-Roberts  
I Davis C Dereli  
N Delaney J Gordon  
J Mee E Pope  
A Pritchard

In attendance: Councillor J Finch – Digmaor Ward

Officers: Mike Kostrzewski, Deputy Borough Treasurer  
Marc Taylor, Head of Finance, Procurement and Commercial  
Property  
Jacqueline Pendleton, Internal Audit Manager  
Kay Lovelady, Principal Solicitor  
Tom Dickinson, Principal Solicitor  
Jill Ryan, Member Services / Civic Officer  
Kirsty Breakell, Member Services / Civic Officer

### **1 APOLOGIES**

There were no apologies received.

### **2 MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 4, the Committee noted the termination of Councillor G Dowling and the appointment of Councillor N Delaney for this meeting only, thereby giving effect to the wishes of the Political Groups.

### **3 URGENT BUSINESS**

There were no urgent items of business.

### **4 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **5 MINUTES OF PREVIOUS MEETING**

RESOLVED: That the minutes of the meeting held on the 28 January 2020, be approved as a correct record and signed by the Chairman.

### **6 PUBLIC SPEAKING**

There were no items under this heading.

**7 INTERNAL AUDIT ANNUAL REPORT**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 95–106 of the Book of Reports, the purpose of which is to provide an annual report summarising the work undertaken by Internal Audit for 2019/20.

The Chairman invited the Internal Audit Manager to present the report to the Committee. An overview of the report was presented, including the impact of Covid-19. A table of assurances has been prepared, using a similar method to those used in audit reviews. These were explained and it was confirmed that follow up reviews would also be carried out in relation to these matters and any findings reported back to the Committee. The Audit Team will continue to develop working practices and will report monthly to the Management Team. As such, additional items may be added to the work programme moving forwards.

Comments and questions were raised in respect of the following:

- Areas of concern to monitor
- Protecting future risks

RESOLVED: That the report be noted.

**8 ANNUAL GOVERNANCE STATEMENT**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 107–114 of the Book of Reports, the purpose of which is to consider the Council's Annual Governance Statement.

The Chairman invited the Head of Finance, Procurement and Commercial Property to present the report to the Committee. It was confirmed that an action plan has been implemented regarding an overview of the future financial position of the Authority, the impact of Coronavirus and general data protection regulation, which shall be reported back to the Committee.

Comments and questions were raised in respect of the following:

- Keeping the Portfolio Holder and Members updated
- Update reports being sent to Council

RESOLVED: That the Annual Governance Statement 2019/20, set out in appendix 1, be approved and commended to the Leader and Chief Operating Officer for signature.

**9 GRANT THORNTON PROGRESS UPDATE**

Consideration was given to the report of the Head of Finance, Procurement and

Commercial Property as contained on pages 115–138 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 Gerard Small from Grant Thornton to present the Progress Report to the Committee. Gerard explained Grant Thornton's approach to audit and the areas of risk to be considered. He confirmed their commitment to work to the highest standards and provide quality audits despite the challenges resulting from the Coronavirus Pandemic, which are impacting the way they work resulting in an increase of their fees. He also advised of the shift in attitude of the Financial Regulator's (The Financial Reporting Council) expectations, when they carry out audits meaning more time is now spent on the details of the Audit by their Management, increasing the quality of the audit.

Comments and questions were raised regarding the following:

- The liability of the pension fund
- 20% increase of fees.
- Grant Thornton being the Council's Auditors and the pension fund Auditors and therefore appearing to not agree with themselves when pension issues are raised separately with each Authority.
- Grant Thornton Auditors remaining independent and autonomous, and must challenge each other's opinions. Must be treated as separate bodies.
- Similar fee increases being experienced across the County.
- When is the tender due for renewal

RESOLVED: That the updates be noted.

10 **INTERNAL AUDIT PROGRESS REPORT 2019/20**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 7–18 of the Book of Reports, the purpose of which is to advise the Committee of progress against the 2019/20 Internal Audit Plan.

The Chairman invited the Internal Audit Manger to present the report to the Committee. A summary was provided of the progress made for the period 16<sup>th</sup> October 2019 to 15<sup>th</sup> July 2020, including the impact of the Coronavirus Pandemic and staff being seconded to other departments to help. Future updates will be provided to the Committee.

Comments and questions were raised in respect of the following:

- Business Rates (Moderate Assurance)
- Review of Business Support Function

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

11 **INTERNAL AUDIT ANNUAL PLAN 2020/21**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 19–28 of the Book of Reports, the purpose of which is to provide Members with the background to the preparation of the 2020/21 Internal Audit Plan and to present it for approval.

The Chairman invited the Internal Audit Manager to present the report to the Committee. The Internal Audit Manager advised that she was proposing that the plan runs from 1<sup>st</sup> July 2020 to 31<sup>st</sup> March 2021, to take into account recent and future coronavirus effects.

Comments and questions were raised as follows:

- Provision of equipment provided to Councillors
- How future meetings may be conducted
- Parishes – Accountancy functions

**RESOLVED:** That the Internal Audit Plan 2020/21 attached at Appendix 1 be approved to take effect from 1 July 2020.

## 12 **INTERNAL AUDIT CHARTER 2020/21**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 29–50 of the Book of Reports, the purpose of which is to present the Internal Audit Charter 2020/21 to Members for approval.

The Chairman invited the Internal Audit Manager to present the report to the Committee. The Internal Audit Manager confirmed that having a Charter is a requirement of the Public Sector Internal Audit Standards, so will be brought to the Committee every year, with updates being sent to Members for approval.

**RESOLVED:** That the Internal Audit Charter 2020/21 attached at appendix 1 to the report, be approved to take effect from 28 July 2020.

## 13 **RIPA ACT - REGULAR MONITORING OF USE OF POWERS**

Consideration was given to the report of the Legal and Democratic Services Manager as contained on pages 51–80 of the Book of Reports, the purpose of which was to provide an update on the use of the Regulation of Investigatory Powers Act 2000.

The Chairman invited Kay Lovelady, Principal Solicitor, to present the report to the Committee on behalf of the Manager of Legal and Democratic Services. An overview of the Act was provided to Members. A desk top review by the Investigatory Powers Commission, only noted one minor amendment. Thanks were expressed to Judith Williams for her work over the last 12 months and for training, updating and keeping the process running smoothly in general. Will continue to provide verbal updates if the Committee agrees.

**RESOLVED:**

- That it be noted that there have been no authorisations for the use of covert surveillance since the last meeting of the Audit and Governance Committee.
- That the satisfactory outcome of a desk-top RIPA inspection, conducted by the Investigatory Powers Commissioner, be noted
- That the minor amendment to the RIPA policy (appendix 1), by the replacing of references to the "Chief Surveillance Commissioner" with references to the "Investigatory Powers Commissioner" be noted.

14 **WHISTLEBLOWING CODE**

Consideration was given to the joint report of the Legal and Democratic Services Manager and the Head of Finance, Procurement and Commercial Property as contained on pages 95–106 of the Book of Reports, the purpose of which is to advise of any necessary amendments to the Council's Whistleblowing Code.

Kay Lovelady, Principal Solicitor, confirmed there no amendments to the code.

RESOLVED: That it be noted that there are no amendments to the Code.

15 **WORK PROGRAMME**

Consideration was given to the report of the Committee's Work Programme as set out on pages 93-94 of the Book of Reports.

Comments and questions were raised in respect of the following:

- Need a briefing topic for July 2021 meeting

RESOLVED: That the work programme be noted  
(Chairman was to provide Marc Taylor with details of any future briefings required)

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**Chairman**