

AUDIT & GOVERNANCE COMMITTEE

HELD: Wednesday, 27 July 2022

Start: 7.00 pm

Finish: 8.05 pm

PRESENT:

Councillor: E Pope (Chairman)

Councillors: P O`Neill (Vice-Chair) N Furey
J Gordon J Mee
R Molloy D Owen
S Patel A Fennell
K Jukes

In attendance: Georgia Jones, Key Audit Partner - Grant Thornton

Officers: Jacqueline Pendleton, Corporate Compliance and Governance Manager
James Pierce, Head of Finance, Procurement and Commercial Services
Simon Peet, Corporate Finance Manager (Deputy S151)
Julia Brown, Democratic Services Officer
Kay Lovelady, Legal & Democratic Services Manager
Catherine Kirwan, Procurement Manager
Jennifer Lunn, Assistant Solicitor

16 **APOLOGIES**

Apologies were received on behalf of Councillor I Davis.

17 **MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 4, the Committee noted the termination of Councillors J Finch and D Daniels and the appointment of Councillors A Fennell and K Jukes for this meeting only, thereby giving effect to the wishes of the Political Groups.

18 **URGENT BUSINESS**

There were no urgent items of business.

19 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

20 **MINUTES OF PREVIOUS MEETING**

RESOLVED: That the Minutes of the meeting held on 31 May 2022 be received as a correct record and signed by the Chairman.

(Note: The Chairman commented in respect of Minute 15 - Derby Street Refurbishment, in respect of an update to be provided by External Auditor, Grant Thornton at the next meeting of the Committee).

21 PUBLIC SPEAKING

There were no items under this heading.

22 EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE 2020-21

Consideration was given to the Grant Thornton Update Report as contained on pages 185 to 199 of the Book of Reports.

The Chairman invited Georgia Jones, Key Audit Partner - Grant Thornton, to present the report to the Committee.

Comments and questions were raised as follows:

- Difficulties during Pandemic and catch-up work/capacity issues in Team
- A staff re-structure of the Finance Team has been undertaken and this will now provide stability moving forward
- A notice of delay for the 2020/21 audit has been published on the Council's website in line with regulation
- Clarification/breakdown of the increase in fees - Grant Thornton/ Justify to PSAA for agreement
- Project Plan for Audit 2020/21 – Autumn 2022
- Grant Thornton revising samples following some changes made to the 2020/21 Accounts
- Civica Improvement modules / wider transactional
- Impact on Annual Governance Statement due to non-receipt of 2020/21 Accounts
- Audit deliverables

RESOLVED: That the Grant Thornton Progress Update Report be noted.

23 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021-22

Consideration was given to the Internal Audit Activities – Progress Report as contained on pages 201 to 218 of the Book of Reports, which was to present the 2021-22 Internal Audit Annual Report and Opinion for consideration.

The Corporate Compliance and Governance Manager outlined the report and responded to comments and questions raised by Members.

- The Chair suggested that the level be reduced from Moderate to Limited due to the number of Limited and No Assurance Audit Reports. This was rejected as it is the Corporate Compliance and Governance Managers independent opinion based on a number of factors, not just the results from Internal Audit Reports.
- Peer Review
- Risk Management / Pentana Training
- Independence of the Corporate Compliance and Governance Manager
- Style of working and efficiencies - MS Teams / face to face

RESOLVED: That the Internal Audit Annual Report and Opinion for 2021-22 be noted.

24 **INTERNAL AUDIT ACTIVITIES - PROGRESS REPORT**

Consideration was given to the Internal Audit Activities – Progress Report as contained on pages 219 to 229, which advised of progress against the 2022/23 Internal Audit Plan.

The Corporate Compliance and Governance Manager outlined the report and responded to comments and questions raised by Members:

- 14% of planned work completed
- One Internal Auditor has provided significant support to enable the completion of the NHS Data Security and Protection Toolkit
- Assurance Reports - D100 – Corporate / Housing Stock
- Performance Indicators – On target to complete Audit Plan by end of Financial Year
- Assurance Audit of Voids – Substantial piece of fieldwork/ lifecycle

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

25 **ANNUAL REPORT OF THE SENIOR INFORMATION RISK OWNER (SIRO) - 2021/22**

Consideration was given to the report of the Corporate Director of Transformation, Housing and Resources as contained on pages 231 to 247 of the Book of Reports, which provided an overview of West Lancashire Borough Councils obligation in meeting statutory regulatory requirements relating to the processing of personal, confidential, or identifiable data under the UK General Data Protection Regulation, the Data Protection Act 2018 and the Councils duty to be transparent through compliance within the Freedom of Information Act 2000.

The Corporate Compliance and Governance Manager outlined the report and responded to comments and questions in respect of:

- No changes to legislation 2020/21 GDPR Training
- Annual Training refresher for all staff

RESOLVED: That the Annual Report of the Senior Information Risk Owner (SIRO), as set out in Appendix 1 of the report, be noted.

26 **REGULATION OF INVESTIGATORY POWERS ACT - USE OF POWERS**

Consideration was given to the report of the Legal and Democratic Services Manager as contained on pages 249 to 250 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).

The Legal and Democratic Services Manager outlined the report and responded to a question in relation to the pilot use of CCTV surveillance. She informed Members of the difference between 'overt' surveillance, where signage is used and "covert surveillance where the Regulation of Investigatory Powers Act 2000 (RIPA) apply.

RESOLVED: That it be noted that the Council has not had cause to use its powers under the Regulation of Investigatory Powers Act 2020 (RIPA) during the last 12 months.

27 **ANNUAL GOVERNANCE STATEMENT 2020/21**

Consideration was given to the annual Governance Statement 2020/21 as contained on pages 251 to 267 of the Book of Reports.

The Corporate Compliance and Governance Manager outlined details of the report.

Resolved: That the Annual Governance Statement 2020/21, as set out in Appendix 1 to the report, be deferred for approval pending the following actions:

1. That a follow up report be presented to a future meeting of the Committee from External Auditor Grant Thornton, in respect of feedback on the Derby Street Refurbishment Report.
2. That the Council's Financial Statements and External Auditor's Letter is available on the Council's website with note to say the 2021 Accounts are to be completed
- 3 That the Council produces Financial Statements in accordance with CIPFA's Practice on Local Authority Accounting in the UK following International Financial Reporting Standards (IFRS). The Financial Statements are scrutinised by the External Auditor with a separate report produced. (This is to be looked in to by Officers as the 2021 Accounts are not completed)

28 **WORK PROGRAMME**

Consideration was given to the Committee's 2022/23 Work Programme as set out on page 269 of the Book of Reports.

The Chairman informed that Georgia Jones, Key Audit Partner, Grant Thornton would provide a Briefing to Members on 'Value for Money' in October. He also asked for any suggestions to be put forward for the May 2023 meeting.

RESOLVED: A. That the Committee Work Programme 2022/23 be agreed.
B. That Georgia Jones, Key Audit Partner, Grant Thornton, provide a Briefing to Members on 'Value for Money' on 25 October 2022.

.....
Chairman