

AUDIT & GOVERNANCE COMMITTEE

HELD: Tuesday, 25 October 2022

Start: 7.00 pm

Finish: 7.48 pm

PRESENT:

Councillor: E Pope (Chairman)

Councillors: I Davis J Finch
N Furey J Gordon
R Molloy D Owen
S Patel J Howard

In attendance: Georgia Jones – Director Grant Thornton
Ying Li – Assistant Manager Grant Thornton

Officers: Jacqueline Pendleton, Corporate Compliance & Governance
Manager
James Pierce, Head of Finance, Procurement and Commercial
Services
Simon Peet, Corporate Finance Manager (Deputy s151)
Julia Brown, Democratic Services Officer
Claire Kelly, Principal Solicitor and Deputy Monitoring Officer
Jennifer Lunn, Assistant Solicitor

29 APOLOGIES

Apologies were received on behalf of Councillor P O'Neill.

30 MEMBERSHIP OF THE COMMITTEE

In accordance with Council Procedure Rule 4, the Committee noted the termination of Councillor D Daniels and the appointment of Councillor J Howard for this meeting only, thereby giving effect to the wishes of the Political Groups.

31 URGENT BUSINESS

There were no urgent items of business.

32 DECLARATIONS OF INTEREST

There were no declarations of interest.

33 MINUTES OF PREVIOUS MEETING

RESOLVED: That the Minutes of the meeting held on 27 July 2022 be received as a correct record and signed by the Chairman.

34 PUBLIC SPEAKING

There were no items under this heading.

35 EXTERNAL AUDIT PROGRESS REPORT

Consideration was given to the External Audit Progress Report as contained on pages 285 to 298 of the Book of Reports.

The Chairman welcomed and invited Georgia Jones, Director and Ying Li Assistant Manager Grant Thornton, to present the report to the Committee.

Comments and Questions were raised as follows:

- Ongoing progress and audit deliverables
- Scope and role of external audit work
- Value for money
- financial resilience / sustainability
- Two further risks of significant weakness added in addendum/ review arrangements
- Progress in October reflecting revaluation of land and buildings
- Fees increased

RESOLVED: That the External Audit Progress Report be noted.

36 EXTERNAL AUDIT ADDENDUM TO THE AUDIT PLAN 2020/21

Consideration was given to the External Audit Addendum to the Audit Plan 2020/21 as contained on pages 299 to 304 of the Book of Reports.

The Chairman invited Georgia Jones Director and Ying Li Assistant Manager Grant Thornton, to present the report to the Committee.

Comments and Questions were raised in respect of:

- Update on Value for money - significant risks
- Two additional risks for audit consideration
- Procurement arrangements

RESOLVED: That the External Audit Addendum to the Audit Plan 2020/21 be noted.

37 EXTERNAL QUALITY ASSESSMENT OF INTERNAL AUDIT 2023

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as contained on pages 305 to 308 of the Book of Reports, the purpose of which was to consult members of the Audit & Governance Committee on the format of the external review of internal audit that is required by the Public Sector Internal Audit Standards and due in 2023.

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

RESOLVED:

- A. That the Audit and Governance Committee members authorise proceeding with the procurement of an external provider to undertake an external

assessment of the Internal Audit Service in the form of a validated self-assessment.

- B. That Audit and Governance Committee members delegate authority to the Corporate Compliance & Governance Manager and the Head of Finance, Procurement and Commercial Services (Section 151 Officer) to agree the specification of the assessment, assess quotations received based on cost and quality and to appoint an external provider to undertake the validated self-assessment review.

38 **INTERNAL AUDIT ACTIVITIES - PROGRESS REPORT**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as contained on pages 309 to 318 of the Book of Reports, which advised of progress against the 2022/23 Internal Audit Plan.

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

- 33% of planned work completed
- Internal Audit staffing resources
- Concern in respect of Assurance reports: Playground Inspections – Limited Assurance / Information Governance – Door Security – Limited Assurance

RESOLVED:

- A. That Members note progress in the year to date.
- B. That a progress report for the Playground Inspections Audit Review be brought to the next committee meeting.

39 **ANNUAL GOVERNANCE STATEMENT 2020/21**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as contained on pages 319 to 336 of the Book of Reports. The purpose of which was to consider the Council's Annual Governance Statement for 2020/21.

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

RESOLVED:

- A. That the Annual Governance Statement 2020/21, set out in Appendix 1, be approved, and commended to the Leader and Chief Operating Officer for signature subject to the following amendments:
1. That the review of the Local Code of Corporate Governance will be undertaken annually and presented to Audit and Governance Committee for approval by **31 January 2023**.
 2. That Page 11 of Appendix (page 334 of the Book of Reports) be amended to remove the wording in the significant governance issue section: 'issues out of the Council's control' to read " There has been a delay in the

completion of the external audit of the Council's Financial Statements for 2020/21. This was due to the impact of the Covid-19 pandemic, staffing resources and the need to meet new requirements such as the completion and incorporation of Group Accounts in the Financial Statements".

40 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 337 to 338 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).

RESOLVED: That it be noted that the Council has not had cause to use its powers under the Regulation of Investigatory Powers Act 2000 (RIPA) during the last 12 months.

41 WORK PROGRAMME

Consideration was given to the Committee's 2022/23 Work Programme as set out on pages 339 to 340 of the Book of Reports.

The Chairman suggested that a joint presentation with Internal / External Audit take place in respect of 'Annual Accounts' on 31 January 2023. He informed that the briefing will require longer than 30 minutes, and that the Audit & Governance Committee meeting on this date will potentially start at 7.30pm to accommodate this.

RESOLVED:

- A. That the Committee Work Programme 2022/23 be agreed as follows:
 1. That a joint briefing from Internal/External Audit on 'Annual Accounts' be presented prior to the Committee on 31 January 2023.
 2. That the Audit & Governance Committee 31 January 2023 to potentially start at 7.30pm in order to accommodate the above-mentioned briefing.
 3. That the 'Social Value in Procurement' briefing be moved from 31 January 2023 to 30 May 2023.
 4. That a briefing in respect of 'Fraud' be held prior to the meeting of July 2023.

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Chairman