

MINUTES OF A MEETING OF THE
 AUDIT AND GOVERNANCE COMMITTEE
 HELD AS AN ONLINE MEETING
 ON WEDNESDAY 10 FEBRUARY 2021, AT
 8.00 PM

PRESENT: Councillor M Pope (Chairman)
 Councillors A Alder, L Corpe, R Fernando,
 T Stowe and A Ward-Booth

ALSO PRESENT:

Councillors B Crystall, P Ruffles and
 G Williamson

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Scrutiny Officer
James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Steven King	- Finance Management Trainee
Steven Linnett	- Head of Strategic Finance and Property
William Troop	- Democratic Services Officer

ALSO IN ATTENDANCE:

Suresh Patel	- Ernst and Young
Simon Martin	- Shared Internal Audit

Nazeer Mohammed - Service
Ernst and Young

349 APOLOGY

An apology for absence was submitted on behalf of Councillor Huggins.

350 MINUTES - 17 NOVEMBER 2020

It was moved by Councillor Alder and seconded by Councillor Stowe, that the Minutes of the meeting of the Committee held on 17 November 2020 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the Minutes of the Committee meeting held on 17 November 2020 be confirmed as a correct record and signed by the Chairman.

351 CHAIRMAN'S ANNOUNCEMENTS

The Chairman said that the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 came into force on Saturday 4 April 2020 to enable councils to hold remote committee meetings during the COVID-19 pandemic period. This was to ensure local authorities could conduct business during the current public health emergency. This meeting of Audit and Governance Committee was being held remotely under these regulations, via the Zoom application and

was being recorded and live streamed on YouTube.

352 DECLARATIONS OF INTEREST

There were no declarations of interest.

353 SHARED INTERNAL AUDIT SERVICE INTERNAL AUDIT PLAN
PROGRESS REPORT

The Shared Internal Audit Service (SIAS) Officer briefly introduced the report and explained some of the audit work carried out by SIAS. The remaining outstanding audits had seen staff allocated to them and would begin within a month. Three audits had been deferred due to the subject matter not being ready. SIAS would instead review commercial rents and cash system interfaces, although this would not be reported on. More flexibility had been built into the planning for 2021-22, given the impact of COVID-19 on the work of SIAS.

Councillor Stowe asked why the waste contract follow up audit had not received an assurance level. The SIAS Officer said as this was only a follow up; SIAS would not give an assurance opinion on it.

Councillor Alder asked what the length of the recovery period was in an IT disaster recovery scenario. It was agreed that the SIAS Officer would investigate this point and respond to Members outside of the meeting.

The Chairman and Councillor Alder asked if there was any further planned reduction in annual internal audit days and if the Members could be assured of proper oversight if there was to be a reduction.

The SIAS Officer said that internal audit days would again be reduced by 20 days to 300 as part of the Council's contractual agreement with SIAS, but this was the last planned reduction.

The Head of Strategic Finance and Property said that internal audit was only part of the framework of governance, and that there was constant oversight from Officers, as well as the Annual Governance Statement which was seen by Members.

Councillor Corpe said that where verbal updates had previously been given to Members, it was difficult to recall specific detail. He requested that a summary be included in a written format going forward. This was agreed.

It was moved by Councillor Corpe and seconded by Councillor Alder that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the Internal Audit Progress Report be noted;

(B) changes to the Internal Audit Plan be approved; and

(C) the status of critical and high priority recommendations be noted.

354 RECEIPT OF THE EXTERNAL AUDITOR'S ANNUAL AUDIT
LETTER 2019/20

Ernst and Young's (EY) representatives briefly explained the main points of the audit letter. Suresh Patel (EY) said that external audit fees had now been agreed and would be presented to Public Sector Audit Appointments (PSAA) for final approval. There were some changes to the requirements for external auditors, which would necessitate a variation in the format of future audits. Members would in future receive more narrative reporting around the value for money conclusion that the external auditor is required to report on annually under the Code of Audit Practice.

Members were also advised that the Ministry of Housing, Communities and Local Government (MHCLG) had proposed new audit date deadlines which EY perceived to be unrealistic and they intended to respond to this effect.

The Chairman asked whether EY had made any changes to allow them to adhere to deadlines more easily. He also asked about its workload and whether this had been increased by the new requirements for auditors.

EY's representative said it had recruited a number of junior staff, but it would take some time for them to be trained. There was additional work, which had been flagged to PSAA, and EY also had a backlog of audits to clear.

RESOLVED – that the report be received.

355 INVESTMENT STRATEGY 2021/22

The Executive Member for Financial Sustainability briefly introduced the report and explained the main points.

The Chairman asked for further information about the training of Members and Officers. The Head of Strategic Finance and Property said that a number of Finance Officers would need training on the specifics of borrowing from the Public Works Loans Board (PWLB), which he would deliver.

The Scrutiny Officer said that the Member Development Group continued to meet quarterly to discuss Members' training needs. There had been ongoing discussions about supplying Members with further scrutiny training and also the need to take a longer term view of Members' training needs which could be established via a competency framework.

There were no suggested amendments or comments from Members for the Executive.

RESOLVED – that the report be received.

356 CAPITAL STRATEGY AND MINIMUM REVENUE PROVISION
POLICY 2021/22

The Executive Member for Financial Sustainability briefly introduced the report and explained the benefits of producing the policy each year.

The Chairman asked whether there were any material

changes to the policy from the preceding year. The Head of Strategic Finance and Property said that it was now necessary to have a Minimum Revenue Provision (MRP) Policy. The effect of climate change was now included as an influence in the capital strategy.

There were no suggested amendments or comments from Members for the Executive.

RESOLVED – that the report be received.

357 WORK PROGRAMME PROPOSALS 2020-21

The Scrutiny Officer briefly introduced the Work Programme, and said that further scrutiny training would be rolled out following the review by the Centre for Governance and Scrutiny (CfGS). It was noted that the business to be considered at the next meeting on 16 March 2021 was regulatory in nature.

The Chairman asked about the progress of the Constitution Review Group and forthcoming potential governance items.

The Head of Legal and Democratic Services said nominations for the membership of the Constitution Review Group were still awaited upon from some group leaders. This was being followed up by the Democratic Services Manager. It was agreed that the Head of Legal and Democratic Services would notify the Chairman of any potential upcoming governance items outside of the meeting.

It was moved by Councillor Ward-Booth and seconded by Councillor Corpe that the recommendations, as

detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the main agenda items for the next meeting be agreed; and

(B) the proposed consolidated work programme be agreed.

358 URGENT ITEMS

There was no urgent business.

The meeting closed at 8.47 pm

Chairman
Date