

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 19 APRIL 2021

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Janet Dover, Barry Goringe, Mike Parkes and Clare Sutton

Apologies: Cllrs Bill Pipe and Bill Trite

Also present: Ian Howse (Deloitte)

Officers present (for all or part of the meeting):

David Trotter (Risk and Resilience Officer), Jim McManus (Corporate Director - Finance and Commercial), Marc Eyre (Service Manager for Assurance), Rupert Bamberger (Assistant Director SWAP), Sally White (Principal Auditor), Richard Ironside (Service Manager for (Finance) Policy and Compliance), Heather Lappin (Head of Strategic Finance), Steve Veevers (Corporate Director Operations, Adult Care) and Elaine Tibble (Senior Democratic Services Officer)

63. Minutes

The minutes of the meeting held on 22 February 2021 were confirmed and agreed as a correct record.

64. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

65. Public Participation

There were no questions or statements from members of the public.

66. Internal Audit Annual Opinion Report 2020-21

The Principal Auditor from SWAP introduced the Internal Audit Annual Opinion Report 2020/21.

Due to pandemic and staff re-deployment there had been limits to the breadth of the work carried out. Key points raised were as follows;

The table on P13 demonstrated levels of audit assurance against key risks. All limited assurances were followed up as part of SWAP's work, however, at the end of last year the key priority recommendations not implemented at the time of follow was 54%. SWAP were addressing this and hoped to report improved figures going forwards.

2 significant corporate risks were identified but the priority findings had been addressed.

72% of opinion based work last year resulted in a limited opinion, however much of the work had been directed by senior management towards those areas of concern.

Added Value Points:–

- cash savings of £118,000 had been identified directly as a result of SWAP work.
- SWAP had paid £4,500 for the Council to belong to CIFAS to enable fraud prevention data matching.
- Enhancements made to audit processes, including the introduction of an agile audit approach, a focus on data analysis and a one-page audit report.
- Duplicate payment identification work had identified a total of £1.2M of duplicate payments from 2017 to date.
- Following the introduction of new council software, duplicate payments identified had dropped significantly, recovery work had been successful but £2,500 written off and a very small amount still to recover.

The Chairman thanked the SWAP staff who had been re-deployed to help the Council with the pandemic over the last year.

Questions and discussion focussed on:-

No audit actions that were 'risk accepted' during 2020/21 was this a risk adverse approach? Agreeing recommended actions was a negotiated process and only those where a need to mitigate an identified risk would be recorded as risk accepted.

Regular meetings to be arranged with Chairman, Vice-Chairman and SWAP to review risk accepted between committee meetings.

Duplicate payments - the amount of £2500 written off was this one or several payments? SWAP to investigate and inform the Chairman.

In response to a question about action taken against companies that were paid twice in error the Corporate Director Finance and Commercial explained that it was relatively easy to make recoveries from well established companies but recoveries from companies that were no longer trading or were one-off transactions, made recovery difficult or not possible.

The Chair asked SWAP to undertake some benchmarking work to compare the duplicate payment issue across other councils.

The Chair asked whether a SWAP representative could attend Audit and Governance Committee at the July meeting when the SWAP School transport report would be discussed

67. SWAP approach to Internal Audit Planning 2021-22

The Assistant Director of SWAP presented the Approach to Internal Audit Planning 2021/22 and the Internal Audit Charter.

The approach to internal audit planning throughout 2021/22 would be a continuous risk assessment and rolling plan approach.

The programme of audit work would be built with consideration to the Authority's corporate & service risk registers. It would also look to consider/ incorporate where necessary, any red flags from the council's corporate performance information, or known issues within Directorates.

There would be quarterly updates in terms of audit coverage of key risks and priorities. Plus up to date information available via a live Audit Tacker (link within the planning paper) of audit outcomes, audits in progress, audits planned etc.

The Assistant Director also highlighted the Internal Audit Charter at Appendix 1 for approval.

Questions and discussion focussed on:-

Concerns over the amount of audit work SWAP were able to carry out during the Pandemic due to redeployment of audit staff, whether this would continue, and whether there was scope to catch up on internal audit coverage.

The Assistant Director highlighted that internal audit staff were only expected to be redeployed for a further month maximum. Subject to this being the case, and the internal audit team being at full complement, internal audit coverage was expected to return to reasonable levels. In terms of catching up, the Assistant Director noted that greater efforts would be put into developing an assurance map, to help signpost other sources of council assurance currently (or able) to provide assurance over those key risks not covered by internal audit.

Business grant distribution. More information on the processes and assurances undertaken would be brought to the next Audit & Governance meeting in July.

Proposed by Cllr Matt Hall, seconded by Cllr Janet Dover.

Decision: to approve the Internal Audit Charter.

68. Annual Governance Statement 2020-21

The Annual Governance Statement for 2020/21 was presented by the Service Manager for Assurance who highlighted the key items. This paper accompanied the annual accounts and provided an assessment that the Council had appropriate governance arrangements in place.

A number of improvements had been made to the document following discussions with the Audit & Governance Committee.

Questions and discussion focused on:-

What the council was doing to increase the undertaking Data Protection Training.
Audit & Governance Committee to be updated on this training.
New procurement rules from 2024.
EU Settlement Scheme (employee stats?). Response to be copied to all members.
Addition of new Code of Conduct in the Annual Governance Statement (issues addressed).
Improvement of the Annual Governance Statement to encourage residents to read it.

69. Risk Management Update

The Service Manager for Assurance presented the Risk Management Update to the committee for review.

There had been good engagements with Place Directorate and it had been noted a number of risks had not been reviewed recently, a more thorough update would be presented at the next quarterly committee meeting. This had been largely due to the impact of the Pandemic.

Questions and discussion focused on;
The impact of un-used annual leave on the service and structures to manage that.
Information Asset Registers overdue for update – timeframe?

Thanks were expressed to the officers for their excellent work and a very useful document.

Had risk levels been severely impacted by the Pandemic?
How accurate the figures were to “normal”, if heading in the right direction?
The Pandemic figures should not be bench-mark for going forward.

The Chairman requested an update on the Place Directorate at a future meeting so that the committee could understand and look at what could be put in place to assist.

Wareham level crossing – to be referred to the Place and Resources Scrutiny Committee to look at.

70. External Audit Update

The Committee received a verbal update from the external auditor (Deloitte).

A number of adjustments had been identified that would need to be made to the draft financial statement. There had been complications due to the amalgamation of all the former districts into one Dorset Council but it was hoped to conclude the audit for sign off at the end of the month after a very thorough process.

The amended draft would be brought back to the next committee meeting on 9 July for good governance due to the material changes and the time that had elapsed.

71. Forward Plan

The Forward Plan was noted and the additional items to be added for 9 July 2021 meeting.

SWAP – to add Internal Audit Progress Report.
Place Risk Update
External Audit Update

72. Urgent items

There were no urgent items.

73. Exempt Business

There was no exempt business.

Duration of meeting: 10.00 - 11.20 am

Chairman

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