

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 17 JANUARY 2022

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

Apologies: Cllrs Bill Tritte

Also present: Ian Howse and Cllr Spencer Flower

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

Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), Jim McManus (Corporate Director - Finance and Commercial), Marc Eyre (Service Manager for Assurance), Sally White (Assistant Director), Susan Dallison (Democratic Services Team Leader), David Trotter (Risk and Resilience Officer), Angela Hooper (Principal Auditor), Neil Gorman (Service Manager (Finance) Corp Policy & Comp), Richard Ironside (Senior Accountant) and Heather Lappin (Head of Strategic Finance)

39. Declarations of Interest

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

40. Public Participation

There were no questions or statements from the public.

41. Internal Audit Progress Report

Sally White, Assistant Director, SWAP presented the internal audit progress report for 2021/22.

Members asked questions relating to a number of issues highlighted in the report. Cllr Biggs asked questions in respect of climate change and transformation where there was limited assurance and he expressed concern around these areas due to the need to produce savings and to improve performance. In response Sally White reported that an assessment would be made through the assurance mapping process and that SWAP maintained a risk assessment process to identify any gaps in their work and held conversations with directorates to highlight where audit work could potentially be beneficial.

In response to a question on why there was no plan to record why direct care packages ended, Angie Hooper, SWAP advised the committee that the

service had agreed an action to review the end of direct payments and work on this area had already started.

Members noted the report.

42. **Quarterly Risk Management Update**

Marc Eyre, Service Manager for Assurance, presented the Quarterly Risk Management Update report.

In respect of a question on risk 388 'Information compliance – insufficient uptake of data protection training and inadequate awareness of statutory obligations', the committee was advised that the completion of mandatory training in this area had now reached 70% following some targeted messaging to staff and managers were able to identify which staff needed to complete the mandatory training. In respect of comparison with other areas of mandatory training the Service Manager for Assurance agreed to liaise with HR colleagues to compare the training data. In response to a request from the Chairman it was agreed that officers would work with HR to review the uptake level of all mandatory training across the organisation and advise of any plan to increase the level of completion.

Members also raised the issue of climate change and health risks, adult social care provision and the impact on hospitals, the risk of the council self-insuring and whether some risks should be scrutinised by the scrutiny committees. At the request of the Chairman it was agreed that the risk reports would be circulated to the Chairmen of the two scrutiny committees for their information.

Members noted the review of the key risks identified in the corporate and service risk registers and supported the proposal that future quarterly reporting included updates on emergency planning and information compliance.

43. **Procurement of External Auditors**

Richard Ironside, Senior Accountant, presented a report on the proposal for the appointment of external auditors.

The recommendation, as set out in the report, was proposed by Cllr B Pipe and seconded by Cllr B Goringe, and the result of the minded to vote was to forward the following recommendation onto Full Council for approval:

Recommendation to Full Council

That the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

44. **Audit & Governance Sub-committee**

The Sub-committee noted the minutes of the Audit & Governance Hearing Sub-committee held on 1 December 2021.

45. **Forward Plan**

The committee noted the Forward Plan.

46. **Urgent items**

The following items of business were considered by the Chairman as urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The items were considered to be urgent because of the requirement to sign off the accounts.

Annual Accounts 2020/21

Heather Lappin, Head of Strategic Finance gave a power point presentation on the 2020/21 Annual Accounts.

In response to a question regarding the cost of servicing debt the Head of Strategic Finance agreed to provide some further information on this topic at the next meeting. Members also discussed the pension deficit and the Corporate Director, Finance and Commercial reported that there was a £988m pension liability however, there were complex rules around pension fund liabilities and issue might therefore be best raised at the Pension Fund Committee.

In response to a question on whether PFI was value for money the Executive Director of Corporate Development reported that the council was actively managing the 2 PFI schemes to try to ensure that they were beneficial to the council and to achieve value for money.

In response to a question on the governance around exit payments for staff the Executive Director of Corporate Development advised the committee that in terms of redundancy a business case was made for each individual case and as long as a payback of within 2-3 years was seen as appropriate then as the S151 officer he was able to sign off the exit package.

Members noted the presentation.

Deloitte External Auditor ISA260 Report

Ian Howse presented the ISA260 report.

Members discussed a number of issues raised in the report, how non-tangible assets were dealt with and assumptions on inflation. In respect of inflation the Executive Director of Corporate Development reported that the budget proposals going before Cabinet on the 18 January had been adjusted in accordance with the increase in inflation.

Following the conclusion of both presentations the committee noted the Annual Accounts 2020/21, noted the ISA260 report and took a minded to vote on the following recommendation which was agreed unanimously:

To delegate authority to the Chairman of the Audit Committee and the Section 151 officer to approve and sign the financial statements for the period ending 31st March 2021, once the external audit has been concluded. If the external audit identifies the requirement for any material amendments to the statements these should be reported to the Audit Committee prior to signature.

Decision taken by the Corporate Director, Legal & Democratic:

That having listened to the presentations in full, the comments made by members of the committee and the result of the minded to vote, delegated authority be granted to the Chairman of the Audit Committee and the Section 151 officer to approve and sign the financial statements for the period ending 31st March 2021, once the external audit has been concluded. If the external audit identifies the requirement for any material amendments to the statements these should be reported to the Audit Committee prior to signature.

47. Exempt Business

There was no exempt business.

Duration of meeting: 10.00 - 11.38 am

Chairman

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