



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 17th January 2022

PRESENT : Cllrs. Wilson (Chair), Brooker (Vice-Chair), Bowkett, Patel, Durdey, Evans, Melvin and Pullen

Others in Attendance

Director of Policy and Resources
Head of Audit, Risk and Assurance (ARA)
Financial Services Manager
ARA Principal Internal Auditor
Democratic and Electoral Services Officer

Also in attendance

Councillor Norman

APOLOGIES : Cllrs.

32. DECLARATIONS OF INTEREST

There were no declarations of interest.

33. MINUTES

In response to a query from the Chair regarding the new format for audit reports, the Head of Audit, Risk and Assurance (ARA) confirmed that new processes had commenced, that summaries will be provided as a matter of course unless requested otherwise and that there would be a period of transition while the new processes were implemented.

It was further confirmed, with reference to the possibility that a 'kickstarter' apprentice be employed to examine smaller VAT claims that this scheme would be looked into.

RESOLVED – That the minutes of the meeting held on Monday 15 November 2021 were approved and signed as a correct record by the Chair.

AUDIT AND GOVERNANCE COMMITTEE
17.01.22

34. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

35. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions nor deputations.

36. GRANTS AUDIT REPORT

The Director of Policy and Resources informed Members that a draft had been received that day and that the final report was pending. He confirmed that it to the form of a housing benefit audit and that, were there to be any adjustments, this could affect any subsidy received.

RESOLVED that: - The Audit and Governance Committee **NOTE** the update.

37. APPOINTMENT OF EXTERNAL AUDITOR

37.1 The Director of Policy and Resources outlined the report regarding procuring the external auditor to take effect as of 2023/24 and that the appointment was required by 31 December 2022. He stated that it needed to be made clear that the Council would opt into the public sector procurement process. The Director also advised that alternative courses were not likely to be as efficient.

37.2 The Chair agreed that opting into the procurement process was a sensible course of action and noted that the final decision would be taken at the next Council meeting.

RESOLVED that: - the **Audit and Governance Committee** endorse and **RECOMMEND** to Council the option to opt-in to the Public Sector Audit Appointments Ltd (PSAA) for the appointment of the Council's External Auditors from 2023/24.

38. APPOINTMENT OF INDEPENDENT MEMBER

The Director of Policy and Resources informed Members that the recruitment of an independent Member would be progressed so they were in place for the next municipal year. In response to a question from Councillor Pullen as to why there would be an independent Member, the Head of ARA clarified that it had been recommended that all audit committees have an independent Member and that it was likely that this would become mandatory in the future.

AUDIT AND GOVERNANCE COMMITTEE
17.01.22

RESOLVED that: - The Audit and Governance Committee **NOTE** the update.

39. INTERNAL AUDIT ACTIVITY PROGRESS REPORT

- 39.1 The Head of ARA provided an overview of internal audit activity and advised that ongoing work had been temporarily suspended due to IT issues. Of audits where assurance was sought, three had been completed – Accounts receivable, Disabled Facilities Grants (DFGs) and the certification of 2021 election accounts. The Principal Auditor also advised that anti-fraud work had been continuing. Eight cases had been identified and of these, four had been closed.
- 39.2 In response to a query from the Chair regarding accounts receivable, the Principal Auditor confirmed that this was in respect of goods and services and not the collection of council tax. With regard to DFGs, the Principal Auditor further confirmed that the audit was to ensure figures provided were accurate.
- 39.3 Councillor Pullen asked, in relation to the election accounts, whether the Returning Officer received three fees, there having been three elections. The Principal Auditor confirmed that there was one fee but made up of three distinct claims. In respect of a special fraud investigation, the Principal Auditor stated that full details would be provided to the Committee.
- 39.4 The Chair noted that there were five active audits which would need to be carried forward. The Principal Auditor advised that these would be examined on a case by case basis and that some were close to completion.

RESOLVED that: - The Audit and Governance Committee

- (1) Accept the progress against the Internal Audit Plan 2021/22; and
- (2) Accept the assurance opinions provided in relation to the effectiveness of the Council's control environment (comprising risk management, control and governance arrangements).

40. STRATEGIC RISK REGISTER UPDATE

- 40.1 The Head of ARA presented the report and outlined the purpose of the risk register. He advised that a review of risk management was being undertaken and, where appropriate, areas would be enhanced.
- 40.2 Councillor Pullen noted that the Council's target was to be carbon neutral by 2030 and that the City be carbon neutral by 2045. Whilst this was referred to in the report, he queried why it did not appear explicitly in the risk register. The Director of Policy and Resources explained that, as it was a key policy area the Council was working towards, it was not necessary to include as a

AUDIT AND GOVERNANCE COMMITTEE
17.01.22

risk on its own. The suggestion from Councillor Norman that it be included in the description of risk 1.13 (regarding the Council Plan) was agreed by the committee.

RESOLVED that: - The Audit and Governance Committee **NOTE** and **ENDORSE** the strategic risk register.

41. ANNUAL GOVERNANCE STATEMENT IMPROVEMENT PLAN 2021/22 UPDATE

The committee considered the update. The Chair noted that the Climate Change Strategy and Property investments were due to be reviewed and sought clarity on whether these could be completed within the timescale. The Principal Auditor advised that he would examine whether this was possible and that they may be carried forward. The Director of Policy and Resources stated the property investment had been considered by the Overview and Scrutiny Committee at a recent meeting.

RESOLVED that: - The Audit and Governance Committee **NOTE** the report.

42. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that:

The press and public be excluded from the meeting during the following item of business on the grounds that it is likely, in view of the nature of business to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of this item there will be disclosure to them of exempt information as defined in Schedule 12A (para. 3) of the Local Government Act 1972 as amended.

43. IT SYSTEMS UPDATE

RESOLVED: - As per the exempt minutes.

44. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

RESOLVED that: - The Audit and Governance Committee **NOTE** the work programme.

45. DATE OF NEXT MEETING

7 March 2022 at 6.30pm in the Civic Suite, North Warehouse

Time of commencement: 6.30 pm hours

Time of conclusion: 7.20 pm hours

AUDIT AND GOVERNANCE COMMITTEE
17.01.22

Chair