



## **AUDIT AND GOVERNANCE COMMITTEE**

**MEETING** : Monday, 17th July 2023

**PRESENT** : Cllrs. Wilson (Chair), Gravells MBE (Vice-Chair), Brooker, Durdey, Morgan, Patel, Chambers-Dubus and Hyman

### **Others in Attendance**

Corporate Director  
Monitoring Officer  
Head of Finance and Resources  
Head of ARA  
Accountancy Manager  
Principal Auditor  
Democratic and Electoral Services Team Leader

**APOLOGIES** : Cllrs. Bowkett and Pullen

### **1. APPOINTMENT OF CHAIR AND VICE-CHAIR**

**RESOLVED that:-** The Audit and Governance Committee **NOTE** the appointments of Councillor Wilson and Councillor Gravells as Chair and Vice-Chair of the Committee.

### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3. MINUTES**

The minutes of the meeting which took place on 6 March 2023 were approved and signed as a correct record by the Chair.

### **4. PUBLIC QUESTION TIME (15 MINUTES)**

There were no public questions.

### **5. PETITIONS AND DEPUTATIONS (15 MINUTES)**

There were no petitions nor deputations.

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**6. REVIEW OF S. 106 AGREEMENTS – FINAL REPORT**

- 6.1 The Chair thanked the Corporate Director and Internal Audit for their work in identifying issues and drawing up the action plan. He also thanked Councillor Gravells for raising the matter and identifying issues and suggested that one mitigation against risk in the future would be Members raising issues of concern.
- 6.2 In response to a query from the Chair, the Corporate Director did not believe it to be the case that it was likely that monies would have to be returned but that only once all work was complete could this be confirmed.
- 6.3 The Head of Finance and Resources clarified that the finance team had been in the process of reconciling agreements prior to the cyber incident and that he was happy that the total figures were accurate but the split between various projects had not yet been completed – i.e. total figures provided were accurate.
- 6.4 The Chair queried why it may have been the case that officers from different departments had different figures. The Corporate Director clarified that there were differing methodologies across teams and measured at different points in time. It was anticipated that using a new system to track such matters would resolve this. It was also clarified that the system was already used to manage the Community Infrastructure Levy, would capture a greater level of detail in respect of s. 106 agreements and that work was still ongoing to populate the system. Senior Management and the Planning Committee would be receiving regular updates on its progress.
- 6.5 Councillor Gravells thanked the Internal Audit team for producing the report and stated that it was important that lessons be learnt. Echoing the Chair, he encouraged Members to raise issues when encountered. Referring to contributions having not been received over a period of time, the Corporate Director advised that, in that case, the debt was in recovery and legal proceedings would be initiated where appropriate.
- 6.6 In response to a point made by Councillor Morgan regarding whether it would be preferable if agreements did not deal with merely small sums, the Corporate Director advised that introducing a charging schedule had been raised and was under consideration.
- 6.7 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the report.

**7. ANNUAL RISK MANAGEMENT REPORT 2022/23 AND STRATEGIC RISK REGISTER**

- 7.1 The Head of ARA outlined the report and that it supported the Council's risk management work. The Chair informed Members that the report was a good example of illustrating all the work of the Committee.
- 7.2 **RESOLVED that:-** The Audit and Governance Committee

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- Note and endorse: - The risk management arrangements in place for the past year (2022/23); and - The planned risk management arrangements for 2023/24.
- i. Agree that on the basis of the information set out in this report, it can be concluded that arrangements for managing risk within the Council are sound.

**8. DRAFT ANNUAL GOVERNANCE STATEMENT 2022-23**

- 8.1 The Head of ARA outlined the purpose of the report which summarised the Council's corporate governance structures. The Chair commented that this annual piece of work was something which ran through all Council processes and was always a useful document for Members to read in order to understand the Council's operations.
- 8.2 The Chair also noted that the CIPFA and SOLACE principles were a key aspect to the Council's governance arrangements.
- 8.3 **RESOLVED that:-** The Audit and Governance Committee **APPROVE** the AGS 2022-23 (including the actions planned by the Council to further enhance good governance arrangements).

**9. ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE**

- 9.1 The Chair introduced the report and explained that it was always presented after the end of the financial year. It was clarified that the 2020-21 accounts had been signed off and that the 2021-22 were forthcoming. The Head of the Finance and Resources confirmed that the draft for 2021-22 would be presented to the Committee at its September meeting.
- 9.2 **RESOLVED that:-**
- i. the Audit and Governance Committee Annual Report 2022-23 be agreed; and
  - ii. **RECOMMEND** to Council that the Annual Report 2022-23 be approved.

**10. ANNUAL AUDIT PLAN 2023-24**

- 10.1 The Head of ARA outlined internal audit's plan for the coming year and informed Members that it was always a flexible plan that that there was always room for new suggestions.
- 10.2 **RESOLVED that:-** The Audit and Governance Committee (1) Agree that the Internal Audit Plan for 2023/24 reflects the risk profile of the Council; and (2) Approves the Internal Audit Plan 2023/24 as detailed in Appendix A.

**11. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2022-23**

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The Head of ARA provided a verbal update that the Annual Report was being prepared and would be presented to the Committee at its September meeting.

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

**12. INTERNAL AUDIT ACTIVITY PROGRESS REPORT**

12.1 The Head of ARA provided the quarterly update on internal audit activity. He advised that a number of audits undertaken did not require an assurance level to be given. The Chair commented that the limited assurance provided regarding procurement was concerning and would need to be pursued. With regard to controls, he shared his view that some appeared weak. In response to a query as to whether higher level access to procurement systems could be accessed remotely, the Head of Finance and Resources confirmed that whilst this may be theoretically possible, there was no indication that systems had been accessed in this way. The reason for why a number of employees were granted access was on the basis that they may require at some point. He further confirmed that the system concerned tendering and not the approval of payments.

12.2 **RESOLVED that:-** The Audit and Governance Committee (1) Accept the progress against the Internal Audit Plan 2023-24; 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).

**13. TREASURY MANAGEMENT ANNUAL REPORT 2022/23**

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

**14. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

It was anticipated that the 2021-22 accounts would be available for consideration at the September Committee meeting with the accounts for 2022-23 following. The external auditors would also be invited to the September meeting.

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

**15. DATE OF NEXT MEETING**

Monday 11 September 2023 at 6.30pm in the Civic Suite, North Warehouse.

**Time of commencement: 6.30 pm hours**

**Time of conclusion: 7.50 pm hours**

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**Chair**