



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 18th November 2019

PRESENT : Cllrs. Melvin (Chair), Brooker (Vice-Chair), Bowkett, Hampson, Lugg, D. Norman, Taylor, Tracey and Wilson

Others in Attendance

Corporate Director
Head of Policy and Resources
Accountancy Manager
ARA Group Manager
Visitor Experience Manager
Democratic and Electoral Services Team Leader

APOLOGIES : Cllr. Williams

1. DECLARATIONS OF INTEREST

1.1 Councillor Hampson informed Members that he was a member of the Aspire Trust's Board of Trustees.

2. MINUTES

2.1 Subject to an amendment to reflect that Councillor Wilson gave his apologies, the minutes of the meeting which took place on 16th September 2019 were approved and signed by the Chair as a correct record.

3. PUBLIC QUESTION TIME (15 MINUTES)

3.1 There were no public questions.

4. PETITIONS AND DEPUTATIONS (15 MINUTES)

4.1 There were no petitions or deputations.

5. CONTRIBUTION OF MEMBERS TO OUTSIDE BODIES: ASPIRE TRUST AND CITIZEN'S ADVICE BUREAU

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- 5.1 As part of the working group on appointments made to outside bodies, representatives of the Citizen's Advice Bureau and the Aspire Trust were in attendance.
- 5.2 **Citizen's Advice Bureau (CAB)**
- 5.3 The Manager of the Citizen's Advice Bureau stated that the Council appointees' attendance was good and that one Member had specified duties for the year. They gave their views and asked relevant question pertinent to the service.
- 5.4 With regard to benefits to both the Council and CAB, he stated that both the Council and CAB had similar aims such as improving the lives of residents. There was a good level of communication with Officers but the involvement of Members was useful for the Council as a whole to respond to issues.
- 5.5 The Bureau Manager advised that while Members' overall presence is of benefit, the CAB would not fail to operate if they were not appointed. For example CAB, of its own volition, has fed back to and heard from the Council.
- 5.6 In response to a query from the Corporate Director regarding whether communication would cease if the Council did not appoint, the CAB Manager advised that there would still be contact but that Members' presence improved knowledge and this was a benefit.
- 5.7 Councillor Wilson asked if it would be helpful to circulate a skills set to which the CAB Manager replied that what was important was their presence rather than skills.
- 5.8 In response to a query from the Corporate Director regarding training, the CAB Manager stated that, historically this had not been offered but that, following an Internal Audit, greater training for trustees had been suggested.

Aspire Trust

- 5.9 The Chief Executive outlined that Aspire had a contract with the Council to provide leisure facilities. There were eleven trustees of which two were Members of the Council. The rationale for their appointment was that Members attended as representatives of the community. This study was raised at the last board meeting and the general view was that their presence is positive but they attended as trustees and not representatives of the Council. She further outlined that the Members contributed as trustees to the strategic direction of the organisation.
- 5.10 In terms of benefits of the Council being involved with the Trust, the Chief Executive advised that there was the benefit of transparency with regard to the contract and the Council gains insight into Aspire's work. Aspire benefitted through improved standing and credibility as well as the context of what was happening materially in the wider community. The Chief Executive

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further advised that Aspire provided governance training as well as the opportunity to sit on sub-committees and that it would be useful to share a skills matrix in order to assist in the making of appointments.

- 5.11 In response to a query from Councillor Tracey as to the level of Member feedback, the Chief Executive stated that it was an individual decision.
- 5.12 Councillor Wilson shared his view that there was an opportunity for organisations to share what skills would be needed for appointees. Councillor Lugg informed Members, however, that the Council did not conduct an audit of Members' skills while the Corporate Director noted that Group Leaders took a view on Members' skills. The Corporate Director also stated that it would be useful to receive skill sets from outside bodies and that there could be an opportunity to report to Council on what part appointees have played.
- 5.13 Members expressed their thanks to Aspire and CAB for their contribution to the study.

6. OUTSIDE BODIES SURVEY UPDATE

- 6.1 The Corporate Director provided an update on the outside bodies study. He informed Members that responses to the survey had been received from both appointees and from organisations that the Council appoints to. He also highlighted that interviews with organisations that the Council appoints to had been conducted.
- 6.2 These responses were being collated and would form the basis of a set of recommendations which would be presented in draft form at the next Committee meeting.

7. ANNUAL AUDIT LETTER

- 7.1 The Head of Policy and Resources introduced the Annual Audit letter as supplied by Deloitte. He advised that there was no new information contained within the letter, Deloitte had given an unqualified opinion on the accounts and the audit had been completed on time.
- 7.2 The Head of Policy and Resources advised that Deloitte had approved the governance statement and had concluded that the Value for Money opinion had been unqualified. There were eight recommendations which would be followed up.
- 7.3 Councillor Wilson stated that it was good to see an unqualified audit letter and queried whether there was an error in the gross expenditure figure. The Head of Policy and Resources confirmed that there was no such error.
- 7.4 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the Annual Audit Letter.

8. INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2019/20

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- 8.1 The Audit Risk Assurance (ARA) Group Manager provided an overview of internal audit activity – confirming that this was the second progress report against the approved 2019/20 Internal Audit Plan and that 5 audit activity outcomes were reported. Members were also informed that 4 irregularity reviews had been received in 2019/20 to date, the investigations were ongoing and once concluded would be reported to Committee.
- 8.2 The Group Manager advised that one audit had a limited assurance level attached to it, namely travel expenses. She drew Members' attention to the nature of the audit, that it was a low spend operational area and that recommendations had been agreed by management.
- 8.3 The Group Manager noted that the standard process on limited assurance reports was to request management attendance at the next Committee meeting to provide an update on recommendation implementation progress. In the case of the Travel and Expenses audit, due to its scope and financial risk impact, this is deemed to be an operational rather than strategic risk. Based on this, Committee's views were requested as to whether they require management attendance or if they would be satisfied that Internal Audit undertake a follow up review in 2020/21 reporting the outcomes to the Committee.
- 8.4 Councillor Wilson suggested that, as it was a minor issue, the audit be progressed. Councillor D. Norman concurred and stated that he was confident that changes would be made.
- 8.5 Councillor Wilson noted that there were three claims for self-employed staff and queried why they were claiming. The Head of Policy and Resources advised that he would examine the detail of this.
- 8.6 **RESOLVED that:-** (1) The follow up audit of travel expenses be progressed, and; (2) The Audit and Governance Committee **NOTE** the report.

9. TREASURY MANAGEMENT PERFORMANCE 2019/20 SIX MONTHLY UPDATE

- 9.1 The Head of Policy and Resources introduced the report and highlighted key aspects. He advised there was no new long term borrowing nor any debt rescheduling.
- 9.2 The Head of Policy and Resources further advised that the Council had complied with treasury limits and was in an 'under borrowed' position.
- 9.3 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the report.

10. SHOPMOBILITY LIMITED ASSURANCE MANAGEMENT UPDATE

- 10.1 The Visitor Experience Manager outlined the purpose of the audit. She stated that the key areas were Shopmobility's equipment, income collection

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and user training. She advised that there were seven recommendations from the audit and all had been implemented.

11. RISK BASED INTERNAL AUDIT PLANNING WORKSHOP

11.1 The ARA Group Manager advised that a risk based internal audit planning cycle was in place and stated that the Audit & Governance Committee's views and input were invaluable within this approach.

11.2 It was proposed that a risk based internal audit planning workshop be held prior to the next Committee meeting with the session to be last around 45 minutes. The aim of the session would be to raise and discuss areas where independent assurance would add value for the Risk Based Internal Audit Plan 2020/21.

11.3 Councillor Wilson stated that such a session had worked well in the past.

11.4 **RESOLVED that:-** A Risk Based Internal Audit Planning Workshop be held immediately before the 20th January 2020 Audit and Governance Committee.

12. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

12.1 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the Work Programme.

13. DATE OF NEXT MEETING

13.1 20th January 2020 at 6.30pm in the Civic Suite, North Warehouse.

Time of commencement: 6.30 pm hours

Time of conclusion: 7.25 pm hours

Chair