

# AUDIT AND GOVERNANCE COMMITTEE

Meeting: Thursday, 17th March, 2022  
at 2.00 pm. (Banqueting Hall)

Present: Councillors Burns (Chairman), Assouad (Vice-Chair), Morgan and Seward.

Officers Present: Susan Roberts (Director of Resources), Debbie Storr (Head of Legal and Governance & Monitoring Officer) and Katie Pepper (Democratic and Electoral Services Officer).

Also Present: Matt Derrick from Grant Thornton.

## **39 Apologies for Absence/Attendance of Substitute Members**

Apologies for absence had been received from Councillor Callister and Nott.

Councillors Morgan and Seward had attended as substitutes for this meeting only.

## **40 Delegations**

Referring to Agenda Item No.11 the Chairman moved that the matter be a delegated decision.

## **41 Minutes**

The Minutes of the meeting held on 7th December, 2022 were taken as read and confirmed.

## **42 Public Participation**

RESOLVED:- To note that no questions, representations, deputations or petitions had been received in respect of the meeting.

## **43 Audit and Governance Committee Work Plan**

The Director of Resources submitted a report outlining the Audit and Governance Work Plan for 2021-2022, a copy of which had been appended to the report. The Work Plan sets out the business of the Audit and Governance Committee to provide a forward plan and to demonstrate that the terms of reference had been covered.

There had been several revisions, many of which had been driven by the annual audit which was ongoing and not yet concluded:

3. Internal Audit Annual Plan
6. Annual Audit Letter
6. Certification of Grants
8. External Audit Annual Plan
17. Annual Governance Statement
20. Statement of Accounts
20. Letter of Representation
21. Audit Findings Report
28. Annual Report of the Committee

An additional Audit and Governance Committee would be scheduled to receive the closure of the annual audit.

Item 18 was not on the agenda as there were no actions to report.

RESOLVED:- To note the Work Plan for 2021-2022.

#### **44 Internal Audit Final Report**

The Head of Internal Audit reported that Internal Audit performed audits in accordance with the approved Annual Plan which was based on a risk assessment of the internal control environment. On completion, the final reports were presented to this Committee for consideration.

There had been three final reports appended for consideration, as follows:-

21-27 Recruitment – Restricted Assurance. This report contained one important issue and five previous recommendations.

21-03 Council Tax and Council Tax Support – Substantial Assurance. This report contained one important issue and six previous recommendations.

21-04 Business Rates (NNDR) – Substantial Assurance. This report contained one important issue and three previous recommendations.

21-12 Car Park Meter Income – Substantial Assurance. This report contained one important issue, one minor issue and three previous recommendations.

21-14 Accounts Receivable – Restricted Assurance. This report contained one major issue, two important issues, one minor issue and four previous recommendations.

21-18 Accounts Payable – Substantial Assurance. This report contained one important issue and four previous recommendations.

All recommendations had been accepted by management unless otherwise stated.

RESOLVED:- To note the Internal Audit Final reports.

#### **45 Internal Audit Progress Report**

The Head of Internal Audit presented the Internal Audit Progress Report for the period 1st April, 2021 to 4th March, 2022.

20 recommendations had been fully accepted and one recommendation partly accepted. Each of the recommendations had been assigned a Priority Grade 1-3, 1 being major issues and 3 being minor issues. Two had been rated Priority 3, fifteen had been rated Priority 2 and three had been rated Priority 1.

There had been one Priority 1 recommendation since the previous Committee.

RESOLVED:- To Note the Internal Audit Progress Report.

#### 46 Relocation Policy

The Head of Legal and Governance and Monitoring Officer presented the revised relocation policy which had been presented to Executive Committee on 9th February, 2022.

Following recent internal audit reports, Audit and Governance requested a policy review to ensure that the relocation policy was fit for purpose.

The Monitoring Officer had looked at best practice elsewhere and the revised document had been attached to the agenda. This had been presented to Executive Committee and adopted at its meeting on 9th February, 2022.

RESOLVED:- To note the revised Relocation Policy.

#### 47 Audit Progress Report and Sector Report

The External Auditors had produced a Progress Report and Sector Update report to Members. The report provided the Committee with details of the Auditors progress in delivering their responsibilities as External Auditors. This also included a summary of emerging national issues and developments that may be relevant to the Council as well as a number of challenge questions in respect of those emerging issues which the Committee may wish to consider.

A table of progress as at March 2022 had been presented as follows:-

2020/21 Deliverables	Planned Date	Status
<b>Audit Plan</b>		
We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2020-21 financial statements and the Auditors Annual Report on the Authority's Value for Money arrangements.	September 2021	Complete
<b>Audit Findings Report</b>		
The Audit Findings Report will be reported to the Audit Committee.	April 2022	Not Due Yet
<b>Auditors Report</b>		
This includes the opinion on your financial statements	April 2022	Not Due Yet
<b>Auditors Annual Report</b>		
This Report communicates the key issues arising from our Value for Money Work.	July 2022	Not Due Yet

**2021/22 Deliverables**

**Planned Date**

**Status**

**Audit Plan**

We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to Give an opinion on the authority's 2021/22 financial Statements.

November 2022

Not Due Yet

**Audit Findings (ISA260) Report**

The Audit Findings Report will be reported to the November Audit Committee.

November 2022

Not Due Yet

**Auditor's Annual Report**

The Key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, Which will be published as part of the Auditors Annual Report

November 2022

Not Due Yet

**Auditors Report**

This will include our opinion on your financial statements and our other reporting requirements, as set out in 'The auditors Statutory responsibilities' section of this report.

November 2022

Not Due Yet

RESOLVED:- To receive the External Auditor's report.

**48 Procurement Review - Contract Standing Orders and Financial Regulations**

The Head of Legal and Governance and Monitoring Officer presented the Procurement Review.

The review was to consider revisions to the financial regulations and contract standing orders to be incorporated into the annual review of the Constitution. It was intended that these would help strengthen arrangements around procurement processes and provide assurance to members that work was ongoing to ensure audit concerns were being addressed, and that value for money was being obtained.

There were some specific amendments to reflect the creation of the Council's wholly owned company Barrow Forward Limited.

RESOLVED:-

1. To note the Outcome of the Procurement Review; and
2. Approve the revisions to the financial regulations and contract standing orders and recommend to Council for adoption to take effect from 1 April 2022.

## **49 Risk Management**

The Director of Resources reported that the Risk Registers were submitted to the Senior Management Team on a quarterly basis to ensure they remained up to date and relevant.

The current Risk Registers were to be published on the Council's website.

The Operational and Corporate Risk Registers had been attached as appendices to the report.

RESOLVED:- To note the Risk Management Report.

## **50 Anti-fraud Policies**

The Director of Resources reported that as part of the Policy Framework, the Council had Anti-Fraud policies:

- Anti-Fraud, Theft, Bribery and Corruption Strategy and Response Plan;
- Whistleblowing Policy

These documents had been reviewed and there had been minor changes to reflect the Contract Standing Order updates and terminology.

The Anti-Fraud, Theft, Bribery and Corruption Strategy and Response Plan set out the Council's commitment to the prevention and detection of fraud and corruption. It outlined the responsibilities of staff, Members and management and set out the procedures to be followed where suspicion of financial or other irregularity was raised.

The Whistleblowing Policy applied to all staff, Members and those contractors working for the Council and on their premises. The Policy set out the Council's expectation that serious concerns were raised.

The Anti-Fraud, Theft, Bribery and Corruption Strategy and Response Plan had been published on the Council's website, and the Whistleblowing Policy had been published on the Intranet.

A reminder of the purpose and importance of the Anti-Fraud Policies would be sent to staff and Members.

RESOLVED:- To note the Anti-fraud Policies Review.

## **51 Code of Corporate Governance**

The Head of Legal and Governance and Monitoring Officer reported that the Council produced a Code of Corporate Governance which was reviewed on an annual basis. Guidance for preparing the Code was provided by the Chartered Institute for Public Finance and Accountancy (CIPFA).

CIPFA revised the framework for good governance in the public sector based on the International Framework, Good Governance in the Public Sector.

The framework was designed as a reference document for those who developed governance codes for the public sector when updating and reviewing their own codes. The framework provided a shared understanding of what constituted good governance in the public sector.

Although the core principles had not changed there had been some improvements that have been introduced in the last year which were highlighted in the appendix.

RESOLVED:- To endorse the Code of Corporate Governance as attached to the report.

## **52 Review of Audit and Governance Committee Effectiveness**

The Director of Resources reported that a review of the Audit and Governance Committee effectiveness had been undertaken. The review had been based upon the CIPFA Toolkit for Local Authority Audit Committees.

The completed checklist had been attached as an appendix to the report.

There were no issues or actions arising and Members of the Audit and Governance Committee had been recommended to endorse the review.

RESOLVED:- To endorse the Review of Effectiveness.

## **53 Going Concern**

The Director of Resources reported that the Council was required to assess and determine that it was appropriate to prepare the financial statements on a going concern basis. The review should take account of all available information about the future, which was at least, but not limited to the next twelve months from the end of the reporting period.

The accounts of the Council for the period 1st April 2021 to 31st March 2022 would be prepared on a going concern basis. This basis assumed that the Council would be able to realise its assets and liabilities in the normal course of business and that it would continue in business for the foreseeable future.

Management Team considered the significant factors and determined that the going concern concept did apply to the Council.

The accounts for 2020-2021 were currently subject to audit and the 2020-2021 going concern assessment had been updated to reflect the developments of Local Government Reorganisation that had been enacted since the original assessment was made.

RESOLVED:-

1. To endorse the going concern assessment for the preparation of the 2021-2022 accounts; and
2. Endorse the revised going concern assessment applicable to the 2020-2021 accounts.

**54 Accounting Policies**

The Director of Resources reported that she was responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LAASAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Statement of Accounts, the Director of Resources was responsible for selecting suitable accounting policies, applying those consistently and complying with the code.

The accounting policies had been reviewed to ensure that they remained relevant, current and reflected best practice.

RESOLVED:- To approve the accounting policies for the preparation of the Accounts for 2021-2022.

The meeting closed at 2.44 pm.