

**AUDIT COMMITTEE  
4TH MAY 2022**

PRESENT: The Chair (Jane Nellist)

Councillors S. Bradshaw, Snartt, Hamilton and Ward

External Auditors (Mazars)  
Strategic Director - Environmental and Corporate Services  
Strategic Director - Commercial Development, Assets and Leisure  
Head of Strategic Support  
Head of Landlord Services  
Audit Manager  
Organisational Development Manager  
Information Technology Delivery Manager  
Democratic Support Officer (EB)

APOLOGIES: Councillor Boldrin, A. Gray, Hadji-Nikolaou and Parsons

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. She also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

61. MINUTES FROM THE PREVIOUS MEETING

The minutes of the meeting of the Committee held on 15<sup>th</sup> February 2022 were confirmed as a correct record and signed.

It was noted that of those present at the current meeting, only the Chair and Councillor Snartt had been present at the previous meeting.

62. DISCLOSURES OF PERCUNIARY AND PERSONAL INTEREST

No disclosures were made.

63. QUESTIONS UNDER OTHER COMMITTEE PROCEDURES 12.8

No questions had been submitted.

64. EXTERNAL AUDIT PROGRESS REPORT

A report of the External Auditors providing a progress report and technical update was submitted to the Committee for consideration. (Item 5 on the agenda filed with these minutes).

Mark Surridge and Leah Parsons from Mazars attended the meeting via video-link and assisted with the item.

The Committee were informed that:

- i. The Audit was expected to be completed by November 2022.
- ii. Significant risks included management override of controls and the valuation of land and buildings. This was due to high uncertainty in the valuation.
- iii. With regards to Value for Money, this was the second audit conducted in line with the 2020 Code of Practice, focussing on financial sustainability, governance and improving economy, efficiency and effectiveness.
- iv. With regard to materiality, there was a specific level in place for senior officer remunerations.

In response to questions the Committee were informed that:

- i. Valuation experts would only be engaged for something substantial and would not alter the cost to the Council.
- ii. When looking at Value for Money financial sustainability was specifically looked at to ensure that the Council was managing risks and had Audit Committees in place. It also looked at efficiency and effectiveness.

**RESOLVED** that the Committee noted the report.

Reason

To acknowledge the Committee's consideration of this item.

65. COUNCIL'S USE OF REGULATORY OF INVESTIGATORY POWERS ACT (RIPA)

A report of the Head of Strategic Support was submitted providing the Committee with a summary of the Council's use of RIPA powers (item 6 on the agenda included with these minutes).

The Committee were informed that recommendations reported in the external review regarding officer training had been addressed and refresher training had taken place. A briefing note on the circumstances under which RIPA could be used had been circulated as requested by the Scrutiny Commission.

**RESOLVED** that the Committee noted that there had been no use of RIPA powers by the Council for the period from 1 February 2021 to 31 March 2022.

Reason

To enable the Committee to comply with the request from Cabinet that the Audit Committee assumes responsibility for receiving a quarterly report on the use of RIPA, and to report to Cabinet any concerns arising from those reports that may indicate that

the use of RIPA is not consistent with the Policy or that the Policy may not be fit for purpose.

66. INTERNAL AUDIT PROGRESS REPORT Q4 2021-22

A report of the Head of Strategic Support was submitted summarising the progress against the 2021/22 Audit Plan, outlining key findings from final reports and any outstanding recommendations. (Item 7 on the agenda filed with these minutes).

The Strategic Director attended the meeting to assist the Committee with the consideration of this item.

The Landlord Services Manager attended the meeting to assist the Committee with the consideration of this item.

The Audit Manager attended the meeting to assist the Committee with the consideration of this item.

She provided a verbal update as follows:

- i. Good progress had been made throughout the year up until 31<sup>st</sup> March 2022.
- ii. There was a typographical error in the report: 31<sup>st</sup> December should read 31<sup>st</sup> March.
- iii. The Audit was on track to feed into the Annual Governance Statement.
- iv. Only one audit was outstanding plus the IT report.
- v. Of the overdue recommendations, one had since been completed.

The Committee were advised in response to questions that:

- i. Since writing the report, the Right to Buy audit had been implemented..
- ii. The Asbestos Management recommendation was dependent on the implementation of a new system provided by the asbestos contractor. There had been delays in the implementation of the new system but this did not reflect any issues with the management of asbestos.
- iii. The Fleet management recommendation would be followed up with the relevant manager. If there was no response it would be escalated to the Senior Leadership Team (SLT).
- iv. Audit Committee could invite officers to the meetings to report on outstanding audits if they deemed it necessary.
- v. The Absence Management audit had been outstanding for nearly two years. This was partly due to training issues and partly due to the Systems Analyst leaving the Council and the resulting recruitment process.
- vi. Absence Management was under control and was managed.
- vii. The current process used monthly absence reports rather than real-time reports that may have been produced from iTrent – but nonetheless adequate management information on absences was available. There had been a recommendation to update the system but it was no longer thought to be practical or achievable.
- viii. The Council were ahead of the target on sickness absence.
- ix. The Training Policy would be updated in Autumn.

- x. If there was a particular reason as to why an audit recommendation was extended, SLT would be made aware and discussions would take place with the relevant Head of Service to explore what could be done.
- xi. The plan on Electrical Safety was achievable and officers were on track to achieve recommendations.

**RESOLVED** that the Committee noted the report.

Reason

To ensure the Committee is kept informed of progress against the Internal Audit plan and work of Internal Audit.

67. RISK MANAGEMENT (RISK REGISTER) UPDATE

A report of the Strategic Director, Environmental and Corporate Services, was submitted providing the Committee with details of the Strategic Risk Register produced for the period to 2022/23. (Item 8 on the agenda filed with these minutes).

The Organisational Development Manager attended the meeting to assist the Committee with the consideration of this item and informed the Committee that:

- i. The new Strategic Risk Register had been agreed by Cabinet and this was the first quarterly report on the new register.
- ii. Some actions had been identified for improvement.
- iii. There had been no change in the ratings of risks since February.

The Committee were informed in response to questions that:

- i. One of the actions for improvement was the internal review of recruitment. This was being widened to add a section on staff retention in hard-to-reach areas. These hard-to-reach areas were similar across many local authorities and as such the Council were looking at what could be done to keep staff and attract staff, especially where there was competition with the private sector.
- ii. Regarding the residual risk within the business continuity plan mentioned in Strategic Risk 1 (SR1), the risk was plotted based on the inherent risk. Software was being investigated linked to a performance system that could generate reports. Looking at the inherent risk and getting to a desirable position for the risk each question could be updated and the movement of the risk could be plotted.
- iii. At the request of the Chair, future reports would show the differences to previous reports so as to avoid having to compare.
- iv. With regard to SR2, the Council had responded in line with the Local Resilience Forum (LRF) during the Covid-10 pandemic and the situation had been de-escalated.
- v. New risks had been identified and additional actions had come through.

**RESOLVED** that the Committee noted the report.

### Reason

To ensure the Committee is kept informed of progress against the strategic risks that should they crystallise would cause the Council to be unable to operate and/or provide key services leading to a significant adverse effect on public wellbeing.

## 68. WORK PROGRAMME

A report of the Head of Strategic Support was submitted to enable the Committee to consider its work programme. (Item 9 on the agenda filed with these minutes).

The Chair requested that dates of meetings, rather than the months, be added to the Work Programme once they are confirmed.

Regarding a query about a Risk Management meeting taking place on the same day as the meeting of the Audit Committee, the Audit Manager clarified that the report submitted to the meeting was based on the previous Quarter and anything added was to keep the Committee informed of anything that happened after 31<sup>st</sup> March 2022.

### **RESOLVED**

1. That the Committee proceeds on the basis of its work programme, which incorporates all decisions made at this meeting.
2. That dates are added to the Work Programme once they are confirmed.

### Reason

1. To enable the Committee to identify future items of business and enable planning for future meetings to be undertaken, for example preparing reports and arranging for the attendance of officers and /or others at meetings.
2. To allow Committee Members and Officers to manage their attendance in the upcoming Council year.

*The Organisational Development Manager left the meeting during the consideration of this item.*

## 69. EXEMPT INFORMATION

It was resolved that members of the public be excluded from the meeting during the consideration of the following items on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

*At this point in the meeting the recording was stopped.*

70. INVESTMENT PERFORMANCE REPORT – Q4 (JANUARY TO MARCH) 2021/22

An exempt report of the Strategic Director for Commercial Development, Assets and Leisure. (Exempt item 11 on the agenda filed with these minutes). A summary of the Committee's discussion on this matter is provided in the exempt minute (Audit Committee 70E. 2021/22).

71. IT HEALTH CHECK UPDATE

An exempt report of the Head of Customer Experience. (Exempt item 12 on the agenda filed with these minutes). A summary of the Committee's discussion on this matter is provided in the exempt minute (Audit Committee 71E. 2021/22).

NOTES:

1. No reference may be made to these minutes at the next meeting of Full Council unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Audit Committee.
3. The Strategic Director for Commercial Development, Assets and Leisure, Information Technology Delivery Manager, Councillor Hadji-Nikolaou and the External Auditors joined the meeting remotely.