

**AUDIT COMMITTEE  
9TH JUNE 2020**

PRESENT: The Chair (B. Angell)  
The Vice Chair (Councillor Bolton)  
Councillors S. Bradshaw, Charles, Hadji-Nikolaou,  
C. Harris and Parsons

Shared Service Audit Manager  
Internal Auditor  
Strategic Director of Corporate Services  
Head of Strategic Support  
Head of Planning and Regeneration  
Sustainability Officer  
Head of Finance and Property Services  
Internal Audit Manager  
Democratic Services Officer (NA) and Democratic  
Services Officer (NC)

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. He 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.

96. MINUTES FROM THE PREVIOUS MEETING

The minutes of the meeting of the Committee held on 11th March 2020 were confirmed as a correct record and signed.

97. DISCLOSURES OF PECUNIARY AND PERSONAL INTEREST

No disclosures were made.

98. QUESTIONS UNDER OTHER COMMITTEE PROCEDURES 12.8

No questions had been submitted.

99. EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE

The Committee was advised that the External Audit Team had been furloughed and were therefore unable to attend the meeting or provide an update report.

Internal officers advised the Committee that the statement of accounts was due to be completed on time and there was no expectation that the new external audit plan would be much different from last year's plan.

The Committee was happy to note the report.

100. INTERNAL AUDIT PROGRESS REPORT

A report of the Head of Strategic Support summarising the progress against outstanding audits for the 2019/20 Audit Plan was submitted (item 6 on the agenda filed with these minutes).

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

The Committee was advised that the Covid-19 outbreak had caused the proposed audit plan to change as work could not continue as usual. The plan would be reviewed to reflect the new risk environment and work would be prioritised again.

Work was also continuing to align the three Councils within the new shared service, to standardise processes and continue with undertaking audits.

**RESOLVED**

1. That the Committee notes the progress report set out in Appendix 1.
2. That the Committee approves the proposed changes to Internal Audit opinions as set out in Appendix 2.

Reasons

1. To ensure the Committee is kept informed of progress against the approved Internal Audit Plans.
2. To introduce a standardised approach to Internal Audit engagement opinions across the Shared Internal Audit Service which comply with CIPFA guidance.

101. 2019/20 ANNUAL INTERNAL AUDIT REPORT

A report of the Head of Strategic Support presenting the Annual Internal Audit report was submitted (item 7 on the agenda filed with the minutes).

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

The Committee was advised that a moderate assurance level had been issued based on the audits that had been completed. There was a discussion about the assurance levels given over the years and it was felt by the Committee that assurance had slipped but there was a hope that it would improve again.

**RESOLVED** that the Committee note the report.

Reason

To acknowledge the Committee's consideration of the matter.

102. INTERNAL AUDIT CHARTER

A report of the Head of Strategic Support to present the Internal Audit Charter to the Committee was submitted (item 8 on the agenda filed with these minutes).

The Audit Manager assisted with consideration of the item.

The Committee was advised that the audit charters for the three Councils was being standardised as it was important that the charter was the same for the shared service. There was also more emphasis on key relationships and record retention under the new charter.

The Audit Team had also been receiving feedback from their satisfaction surveys and the current return rate was around 50%. The Committee was advised that the Team would be introducing an online form which would be easier to complete and they hoped to improve their return rate.

**RESOLVED** that the Internal Audit Charter be approved.

Reason

To acknowledge the Committee's consideration of the matter and to conform with the requirements of the Public Sector Internal Audit Standards (PSIAS).

103. ENVIRONMENTAL AUDITS - REPORT ON OUTCOMES

A report of the Head of Planning and Regeneration to update the Committee on the outcomes of environmental audits undertaken for February 2020 was submitted (item 9 on the agenda filed with these minutes).

The Head of Planning and Regeneration and the Sustainability Officer attended the meeting to assist with consideration of the item.

The Committee discussed the audits completed and a request was made that future reports include the specific timescales to add clarity.

**RESOLVED** that the Committee notes the report.

Reason

To acknowledge the Committee's consideration of the matter.

104. TREASURY OUTTURN REPORT 2019/20

A report of the Head of Finance and Property Services reporting the Council's Treasury Management, Investment Management and Prudential Code Outturns for the year 2019/20 was submitted (item 10 on the agenda filed with these minutes).

The Strategic Director for Corporate Services and the Head of Finance and Property Services attended the meeting to assist with consideration of the item.

The Committee was advised that due to the Covid-19 pandemic a recovery report would be presented to the Cabinet later on the year describing how the Council would fund its operations and how any reserves would be used, including the £5m for commercial and property investment. It was acknowledged that any investments made now would be more difficult to manage so the recovery report would consider the challenges faced.

**RESOLVED** that the report be noted.

Reason

To acknowledge the Committee's consideration of the matter.

105. RISK MANAGEMENT (RISK REGISTER) UPDATE

A report of the Head of Strategic Support presenting the Strategic Risk Register for 2020/21 was submitted (item 11 on the agenda filed with these minutes).

The Head of Strategic Support assisted with the consideration of the item.

The Committee was advised that a separate risk register had been developed in relation to the Covid-19 pandemic which summarised the most significant risks the Council faced including loss of income.

It was acknowledged that whilst services had run through an online presence there were still vulnerable and elderly residents who needed a face to face service.

The Chief Executive had been named as a risk owner on some of the registers so the Committee discussed whether this was appropriate but it was noted that there was a collective responsibility for the risk registers which held the Council to account.

**RESOLVED** that the report be noted.

Reason

To acknowledge the Committee's consideration of the matter.

106. COUNCIL'S USE OF REGULATION OF INVESTIGATORY POWERS ACT (RIPA)

A report of the Head of Strategic Support to provide the Committee with a summary of the Council's use of RIPA powers was submitted (item 12 on the agenda filed with these minutes).

The Head of Strategic assisted with the consideration of the item.

The Committee was advised that there had been no use of RIPA powers between 1<sup>st</sup> February 2019 to 30<sup>th</sup> April 2020. This was deemed to be positive.

**RESOLVED** that the report be noted.

## Reason

To acknowledge the Committee's consideration of the matter.

### 107. WORK PROGRAMME

A report of the Head of Strategic Support was submitted to enable the Committee to consider its work programme (item 13 on the agenda filed with these minutes).

The Committee was advised that following a restructure to the Council's scrutiny procedure it was noted that the Audit Committee should work more with the Scrutiny Commission group. The Democratic Services Team advised that they would officiate a meeting between the two chairs to discuss how this would work.

### **RESOLVED**

that the Committee proceeds on the basis of the following work programme, which incorporates all decisions made at this meeting:

<b>ISSUE</b>	<b>MEETING</b>
<b>Internal Audit Business</b>	Ongoing
2019/20 Review of the effectiveness of Internal Audit (Feedback from Panel)	28th July 2020 <i>(deferred from 9<sup>th</sup> June 2020)</i>  Annually
2019/20 Members' Allowances Claimed	28th July 2020 <i>(deferred from 9<sup>th</sup> June 2020)</i>  Annually
Whistle Blowing and Anti-fraud, Corruption and Bribery	28th July 2020 <i>(deferred from 9<sup>th</sup> June 2020)</i>  Annually
2019/20 Statement of Accounts	28th July 2020 (Accounts Meeting)  Annually
2019/20 Annual Governance Statement and Review of the Code of Corporate Governance	28th July 2020 (Accounts Meeting)  Annually
Internal Audit Plan – Progress	22nd September 2020  Quarterly
Risk Management (Risk Register)	22nd September 2020  Quarterly - detailed report every six months, exception report quarters in-between.

Council's Use of Regulation of Investigatory Powers Act (RIPA)	22nd September 2020 Quarterly
Environmental Audits Outcomes – Progress update	22nd September 2020
Annual IT Health Check (Code of Connection) <b>Confidential Report</b>	22nd September 2020 Annually
Treasury Management Mid-Year Review	22nd September 2020 Annually
2020/21 Treasury Management Statement, Annual Investment Strategy and MRP Strategy	February 2021 Annually
2021/22 Internal Audit Plan	February 2021 Annually

2020/21 Annual Internal Audit Report	June 2021 Annually
Internal Audit Charter	June 2021 Annually (for approval)
Environmental Audits – Report on Outcomes	June 2021 Annually <i>Note: Six month exception report where identified actions are not implemented by the target date.</i>
2020/21 Treasury Management Outturn	June 2021 Annually
Future of Local Public Audit	Report on Government proposals considered 5th July 2011. Further report once final regulations/guidelines are known. <i>Note:</i> Appointing Your External Auditor briefing note considered June 2016.
Policy for Engagement of External Auditors for non-audit work	Considered March 2013. Review policy - date to be agreed
Update on Covid-19 Risk Register	To be scheduled
<b>External Audit Business</b>	Ongoing
External Audit Progress Report and Technical Update	22nd September 2020 Quarterly
2019/20 Annual Governance Report	28th July 2020 (Accounts Meeting) Annually
2020/21 Annual Audit Letter	February 2021 Annually
2021/22 External Audit Plan	February 2021 Annually

**NOTES:**

1. No reference may be made to these minutes at the Council meeting on 29<sup>th</sup> June 2020 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.