

AUDIT COMMITTEE

Meeting: 12 August 2020

At: 6.00 pm

PRESENT

Councillor Stuart Corris (Chair) in the chair; Councillor Mike Hurleston (Vice-Chair);
Councillors Paul Ankers, Yvonne Guariento, John Pantall and John Taylor.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 27 November 2019 were approved as a correct record.

2. DECLARATIONS OF INTEREST

Councillors and officers were invited to declare any interests they had in any of the items on the agenda for the meeting.

No declarations of interest were made.

3. URGENT DECISIONS

No urgent decisions were reported.

4. PUBLIC QUESTION TIME

Members of the public were invited to put questions to the Chair on any matters within the powers and duties of the Committee, subject to the exclusions set out in the Code of Practice.

No public questions were submitted.

5. REVISED INTERNAL AUDIT PLAN 2020-21 (INCLUDING COVID ASSURANCE WORK)

A representative of the Corporate Director, Corporate and Support Services submitted a report (copies of which had been circulated) which advised Members on the annual risk-based internal audit plan which took into account the requirement to produce an annual internal audit opinion.

The following comments were made/issues raised:

- Members commented with regard to Troubled Families and felt that it was important to discover what strategies worked and what could be consolidated into mainstream activity.
- Officers were asked to comment on the current size of the audit team. In response, Members were advised that half of the audit resources were focusing on adult

social care. Some staff had also been redeployed which meant that delivery of the Audit Plan 2020-21 was ambitious.

- Members queried the lack of information relating to refuse collections and Life Leisure and were advised that there was a separate Totally Local Company Audit Committee and that a piece of work with Life Leisure needed to be undertaken.
- Members felt that the Revised Internal Audit Plan 2020-21 was as robust as it could be at this time and that flexibility was vital.

RESOLVED – (i) That the report be noted.
(ii) That the revised annual internal audit plan and audit charter for 2020/21 be approved.

6. INTERNAL AUDIT PROGRESS REPORT 1- FEBRUARY TO JULY

A representative of the Corporate Director, Corporate and Support Services submitted a report (copies of which had been circulated) which advised Members of the resources utilised by Internal Audit during the period, the activities undertaken in the reporting period and the status of work currently being undertaken.

The following comments were made/issues raised:

- In response to a question raised regarding recruitment to audit vacancies, Members were advised that there was one senior post that was being advertised and it was hoped that this would be filled soon.
- Members commented on the burden on the audit team with regard to grant issues and whether there were any sectors with a lower take up than expected. Members were advised that the grant scheme was due to be wound up in the very near future although the team were still receiving some new claims.
- A short discussion took place relating to performance management and how this was managed.

RESOLVED – That the report be noted.

7. SCHOOL SUMMARY REPORT 2019/20

A representative of the Corporate Director, Corporate and Support Services submitted a report (copies of which had been circulated) which advised all stakeholders of the key and recurring issues, risks and subsequent recommendations made from the internal audits of schools undertaken in 2019/20.

The following comments were made/issues raised:

- Members commented on the lack of space at some schools, this was an issue that needed to be urgently addressed.
- A query was raised relating to point 2.6 in the report and what exactly was an 'unofficial fund'. Members were advised that an 'unofficial fund' was similar to petty cash and was something some schools used when they needed to pay out small sums of money.

RESOLVED – That the report be noted.

8. ANNUAL REPORT OF THE CHAIR OF THE AUDIT COMMITTEE 2019/20

The Chair of the Audit Committee submitted a report (copies of which had been circulated) which aimed to demonstrate how the Audit Committee has fulfilled its terms of reference during the financial year and how it is fully committed to helping to improve the Council's governance and control environments during the year ahead. The report also aimed to outline how the committee's activities during the financial year are designed to make a positive contribution to the continual improvement of governance arrangements across the Council.

RESOLVED – That the report be noted.

9. SUMMARY OF PSAA FINAL SURVEY REPORT

A representative of the Corporate Director, Corporate and Support Services submitted a report (copies of which had been circulated) which provided Members with a summary of the PSAA final survey report.

The following comments were made/issues raised:

- Members were advised that the survey had been conducted independently. The positive working relationship with the external auditors, Mazars, continued and a very good example of this was that a set of accounts had been produced in a timely fashion during the lockdown period.

RESOLVED – That the report be noted.

10. CORPORATE RISK REGISTER 2020/21 -QTR 1

A representative of the Corporate Director, Corporate and Support Services submitted a report (copies of which had been circulated) which advised Members on how the Corporate Risk Register affected the full extent and implications of the COVID-19 pandemic.

The following comments were made/issues raised:

- A comment was raised in relation to social care restructuring and the need to look carefully at the integrated risks associated with this.
- Members asked about the financial implications on the Authority as a result of the pandemic. In response, Members were advised that the financial impact was unprecedented and significant. The Authority was completing monthly returns on the financial situation to the government and there had been some cash flow support from the government.
- It may be necessary to look at the Council's reserves policy again.
- The main issue was how the impact of the pandemic was mitigated from 2020/21 onwards and it was felt that there was a need for the government to provide more certainty.

RESOLVED – That the report be noted.

11. NAO GUIDANCE FOR AUDIT AND RISK COMMITTEES ON FINANCIAL REPORTING

A representative of the Corporate Director, Corporate and Support Services submitted a report (copies of which had been circulated) which aimed to help audit and risk committee members discharge their responsibilities in several different areas and to examine the impact on the organisation of the COVID-19 outbreak, including on:

- Annual Reports
- Financial Reporting
- The control environment and
- Regularity of expenditure.

The following comments were made/issues raised:

- Members commented that they found the checklist very useful.
- Members felt that some of the risks identified were unpredictable and that others were certainties.

RESOLVED – That the report be noted.

12. MAZARS ANNUAL AUDIT PLAN

The external auditor, Mazars submitted a report (copies of which had been circulated) which provided a summary of the audit approach, highlighted significant audit risks and areas of key judgements and also provided details of the audit team.

The following comments were made/issues raised:

- A short discussion took place relating to the challenges of car parking and Members were advised that this was a work in progress but significant progress had been made.

RESOLVED – That the report be noted.

13. MAZARS PROGRESS REPORT

The external auditors, Mazars submitted a report (copies of which had been circulated) which provided the Committee with an update on progress in delivering Mazars responsibilities as the external auditors.

RESOLVED – That the report be noted.

The meeting closed at 7.55 pm