

Minutes of the Audit Committee

26 May 2021

-: Present :-

Councillor Loxton (Chairman)

Councillors Dart, Hill, Kennedy and O'Dwyer

236. Apologies

An apology for absence was received from Councillor Howgate.

237. Minutes

The Minutes of the meeting of the Audit Committee and Adjourned Audit Committee held on 24 and 29 March 2021 respectively were confirmed as a correct record and signed by the Chairman.

238. Declarations of interests

Councillor O'Dwyer declared a non-pecuniary interest in item 11 (minute 245) as he was a Council appointed Director of the TDA.

239. Audit Committee Terms of Reference

Members questioned whether the Audit Committees Terms of Reference should include a specific reference to audit reports regarding arm's length companies.

Resolved:

That the Monitoring Officer be requested to undertake the process for amending the Audit Committee's Terms of Reference as set out in the Constitution to include the following:

'To consider summaries of Internal Audit reports in respect of the Council's wholly owned companies, as requested.'

240. Draft Annual Governance Statement 2020/2021

Members considered a report on the draft Annual Governance Statement 2020/2021. The Head of Policy, Performance and Community Engagement informed the Committee that the preparation of the Annual Governance Statement provides the opportunity for the organisation to review its processes, controls and

objectives and to provide assurance to Members, Senior Officers and stakeholders as to the reliability of its statement of accounts and the probity of its operations.

Members requested a number of amendments which included:

- the appointment of a new Chief Executive;
- information management and complaint performance indicators;
- greater commentary on the changes to governance and decision making as a result of Covid-19;
- the introduction of a Strategic Housing Board;
- the actions in respect of S106 Agreements not being completed; and
- references to the housing land supply being updated.

Resolved:

That the draft Annual Governance Statement be updated with the comments made at the Audit Committee and authority be delegated to the Head of Policy, Performance and Community Engagement in consultation with Chair and Vice-Chair of the Audit Committee, to forward the draft Annual Governance Statement for 2020/2021 to the External Auditors for comment.

241. Internal Audit - Annual Audit Report 2020/21

Members considered the Internal Audit – Annual Audit Report 2020/21 which sets out the background to the audit service provision; a review of work undertaken in 2020/21 and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment. The Head of Internal Audit advised that the overall opinion was one of "Reasonable Assurance" on the adequacy and effectiveness of much of the Authority's internal control framework. The exception to this was the Children's Services Directorate (excluding Education where the opinion was Reasonable Assurance), although it was acknowledged that there was a positive direction of travel as supported by external assessment.

Members raised questions in relation to:

- Efficiencies with regards to SWISCo;
- Penetration testing of IT data;
- Audit of Health and Safety;
- Housing benefit subsidy claim;
- Digital/remote audits;
- Implementation of Council and NNDR internal audit recommendations; and
- Risk Management audit being deferred until 2022/23 financial year.

242. Treasury Management Outturn 2020/21 Report

In February 2019 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2020/21 was approved at a meeting on 6th February 2020. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy. Members were requested to consider and note the submitted annual report on the treasury management activities undertaken during the year 2020/21.

Members requested that the definition of 'non-treasury investments' be revisited before the report is presented to Council and that advice be sought from the Monitoring Officer in respect of Appendix 2 being exempt information.

243. External Audit Plan

Members were advised that the External Audit Plan was not yet finalised and therefore this item was deferred until the Audit Committee meeting on 28 July 2021.

244. Exclusion of the Press and Public

Prior to consideration of the item in Minute 245 the press and public were formally excluded from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

245. Internal Audit Report - TDA - Commissioning and Performance Monitoring Arrangements 2019-20

Members considered the exempt report which set out the findings of an Internal Audit report on the TDA commissioning and performance monitoring arrangements. Members were advised that the key findings related to performance monitoring. Members noted that the recommendations had been accepted by the Director of Place. Members were also informed that the Council had commissioned the Local Government Association to undertake a Peer Review.

Resolved:

That the LGA Peer Review Report on the TDA be presented to a future meeting of the Audit Committee for consideration in light of the Internal Audit Report - TDA Commissioning and Performance Monitoring Arrangements 2019-20.

246. Adjournment

At this juncture the meeting was adjourned until 2.30 pm on 27 May 2021.

Chairman/woman
