



MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 8th JUNE 2022

PRESENT: Councillor P Turner (Chair), Councillors R Ford (Vice-Chair),
D Cook and A Cooper

Officers	Stefan Garner (Executive Director Finance), Joanne Goodfellow (Assistant Director Finance), Joanne Sands (Assistant Director Partnerships) and Jo Hutchison (Democratic Services, Scrutiny and Elections Officer)
External Auditors	Laurelin Griffiths (Grant Thornton), Will Guest (Grant Thornton)

Apologies received from: Councillor(s) S Daniels, J Jones and P Thurgood

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors S Daniels, P Thurgood and J Jones.

2 APPOINTMENT OF VICE-CHAIR

RESOLVED that Councillor R Ford was elected as Vice Chair

(Moved by Councillor P Turner and seconded by Councillor D Cook)

3 MEMBERSHIP OF AUDIT & GOVERNANCE SUB-COMMITTEE

The Committee agreed that the membership of the Audit & Governance Sub-Committee would comprise:

Councillor Paul Turner
Councillor Sarah Daniels
Councillor Andrew Cooper
Councillor Richard Ford.

4 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 22 March 2022 were approved and signed as a correct record.

(Moved by Councillor R Ford and seconded by Councillor A Cooper)

5 DECLARATIONS OF INTEREST

There were no declarations of Interest.

6 ROLE OF THE AUDIT COMMITTEE

The Committee received a presentation from the External Auditors on the role of the Audit Committee.

7 AUDIT PLAN

Laurelin Griffiths, from the External Auditors provided an overview of the Audit Plan for the year ending 31 March 2022 and highlighted:

1. The significant risks for the audit which were (i) the rebuttable presumed risk of risk of fraud in revenue recognition and expenditure, which the auditors determined could be rebutted for the reasons set out in the report; (ii) the presumed risk that management override the controls (iii) valuation of land and buildings and (iv) valuation of the pension fund net liability. The work undertaken to respond to those risks.
2. That the materiality threshold was set at £1.15m, with a threshold of >£57,000 for reporting misstatements identified to the Committee.
3. Value for money planning was reported as ongoing.

The Committee:

1. Sought clarification on the language utilised in the Audit Plan regarding a favourable of variance on the general fund compared to budget, where the s151 Officer confirmed that this reflected the COVID grants received and the equivalent expenditure of those grants in relief to local businesses such that there was a net zero cost to the Council.
2. Sought clarification on the meaning of materiality in terms of the Audit Plan where was confirmed that this reflected the level at which an error would need to be which would affect how a reader would interpret the financial statements. There would be a lower threshold for performance materiality, which was the threshold at which testing would be undertaken by the auditors.

8 REGULATION OF INVESTIGATORY POWERS ACT 2000

The Assistant Director, Partnerships introduced the Regulation of Investigatory Powers Act Report which, in accordance with the Council's Code of Practice for carrying out surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA), provided an annual report to this Committee to demonstrate to elected members that the Council was complying with its own Code of Practice when using RIPA.

RESOLVED that the Committee endorsed the Report.

(Moved by Councillor R Ford and seconded by Councillor A Cooper)

9 ANNUAL GOVERNANCE STATEMENT AND CODE OF CORPORATE GOVERNANCE

The Chief Executive introduced the Annual Governance Statement and Code of Corporate Governance Report, which provided a refreshed Governance Statement and Code of Corporate Governance for the Committee's approval.

RESOLVED that the Committee approved:

- a) The Annual Governance Statement (for inclusion in the annual statement of accounts) at **Appendix 1** to the Report; and
- b) Code of Corporate Governance at **Appendix 2** to the Report.

(Moved by Councillor D Cook and seconded by Councillor A Cooper)

10 REVIEW OF THE TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STATEMENT 2022/23 AND THE TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2021/22

The Executive Director, Finance introduced the Treasury Management Strategy Statement, Minimum Revenue Provision Statement and Annual Investment Statement 2022/23 and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2021/22 which had been approved by Council on 22 February 2022 and 14th December 2021 and was here for this Committee's scrutiny and review.

The Committee:

1. sought details on future training sessions for members on treasury management which the Executive Director agreed to arrange during this financial year.
2. sought clarification on why HRA debt seemed to be planned to be increasing which was reported to be because there was expected to be a borrowing need in the capital programme to fund expenditure in the later years of the capital programme to fund net carbon neutral initiatives.

RESOLVED that following consideration of the Treasury Management Reports, as detailed in Appendix A and Appendix B and the clarifications sought and received, the Committee made no changes for recommendation to Cabinet.

(Moved by Councillor D Cook and seconded by Councillor R Ford)

11 RISK MANAGEMENT QUARTERLY UPDATE

The Assistant Director, Finance introduced the Risk Management process and progress Report for Quarter 4 2021/2022.

The Committee:

1. sought clarifications on the mitigations in place to manage the risk of fall in income to the Council were collection rates for Council Tax to fall, where it was reported that currently collection rates were reasonably good and that performance measures were reviewed and remained in target.
2. queried whether the risk scoring for the modernisation and commercial agenda as green was correct given the detail in the risk control measure which showed two indicators were red, where it was agreed that this scoring would be reviewed.

RESOLVED that the Committee endorsed the Corporate Risk Register.

(Moved by Councillor D Cook and seconded by Councillor A Cooper)

12 UPDATE ON THE NEW UPDATED LGA MODEL CODE OF CONDUCT

The Monitoring Officer introduced the Update on the new updated LGA Model Code of Conduct Report which aimed to inform members and bring to their attention the new Local Government Association Model (LGA) Code of Conduct in response the recommendations made by the Office for Standards in Public Life so the Committee can consider whether to adopt it in full or in part, or to retain the Council's current Code of Conduct for Councillors ("Code of Conduct").

The Committee considered that further information was required before the Committee could consider the recommendations contained within the report and suggested that a briefing session be arranged prior to bringing a further report back to this Committee to a future meeting.

RESOLVED that the Committee defer consideration of the recommendations within the report to a later meeting of this Committee, and that a briefing session be organised.

(Moved by Councillor R Ford and seconded by Councillor D Cook)

13 INTERNAL AUDIT ANNUAL REPORT AND QUARTERLY UPDATE

The Executive Director, Finance introduced the report which comprised Internal Audit's Annual Report (Appendix1), and included results for the quarter 4 to 31 March 2022.

The Committee requested:

1. that in future, audit reports show the outstanding audit recommendations over a 5 year period, which the Executive Director confirmed would be possible.
2. that consideration be given to making Committee reports available to members with more notice such that members had further time to fully digest the detailed reports.

RESOLVED that the Committee endorsed Internal Audit's Annual Report (Appendix 1), which included the results for the quarter 4 to 31 March 2022.

(Moved by Councillor D Cook and seconded by Councillor R Ford)

14 PUBLIC SECTOR INTERNAL AUDIT STANDARDS/QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Chief Executive introduced the Public Sector Internal Standards / Quality Assurance and Improvement Programme report which was required for Internal Audit to report to the Committee on its compliance with the relevant Standards.

The Audit Manager had completed the self assessment which was set out in the report and the Chief Executive reported that the 5 yearly external assessment was scheduled for 2022/23 and that an external assessor would be engaged to undertake this.

RESOLVED that the Committee endorsed:

1. Internal Audit's compliance with the PSIAS (Appendix 1); and
2. the QAIP (Appendix 2).

(Moved by Councillor D Cook and seconded by Councillor A Cooper)

15 UPDATE ON APPOINTMENT OF INDEPENDENT MEMBER TO THE AUDIT & GOVERNANCE COMMITTEE

In the absence of the Audit Manager, the Committee requested that an update on the questions asked by the Committee at its meeting in March 2022, be circulated to members.

This item was deferred to the next meeting.

16 AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the Timetable.

The Committee requested that the Timetable be carefully reviewed for the next 12 months by Officers to ensure that the agendas for each meeting were appropriate and if necessary additional meetings be scheduled.

17 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That Members of the press and public be excluded from the meeting during consideration of the following item on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

(Moved by Councillor D Cook and seconded by Councillor R Ford)

The Executive Director, Finance, the Assistant Director Finance, the Assistant Director Partnerships and the Monitoring Officer left the meeting.

18 MINUTES OF THE AUDIT & GOVERNANCE SUB-COMMITTEE MEETING

The Committee received the minutes of the 14th April 2022 Audit & Governance Sub-Committee meeting and an update from the Vice Chair and Chief Executive.

Chair