

Time Commenced: 10.00am
Time Ended: 11.50am

AUDIT AND GOVERNANCE COMMITTEE
15 June 2022

Present: Councillor West (Chair)
Councillors Care, Dhindsa, Hezelgrave, A Holmes and
Jennings
Co-opted Members Philip Sunderland

In attendance: Richard Boneham – Head of Internal Audit
Simon Riley – Strategic Director of Corporate Resources
and S151 Officer
Martin Shipley – Group Auditor
Hannah McDonald – Group Auditor

01/22 Apologies for Absence

Apologies for absence were received for Stuart Green and Councillor Carr.

02/22 Late Items

There were no late items.

03/22 Declarations of Interest

There were no declarations of interest.

04/22 Minutes of the meeting held on 23 March 2022

The minutes of the meeting held on 23 March 2022 were agreed as a correct record subject to the alteration of the finish time to read 11.14am.

Members of the Committee asked about the outstanding resolutions in relation to Aida Bliss update, DDOS attacks, loss of VAT write offs and meeting with external audit prior to this meeting.

The Head of Internal Audit provided the Committee with an update on Aida Bliss and undertook to provide an update on the DDOS attacks and circulate it to the Committee members before the next meeting.

The S151 officer gave an update on the position with the signing off of the accounts. National guidance was required in relation to highways infrastructure asset valuations. As soon as the guidance is received the external auditors

would be able to conclude the audit and the accounts would come to the Committee to be signed off.

In relation to IT updates these should be circulated prior to the next meeting.

05/22 Appointment of Independent Persons to the Audit and Governance Committee

The Committee considered a report of the Strategic Director of Corporate Resources which sought the agreement of the Committee to ask Council to approve the appointment of two independent members to the Audit and Governance Committee for a four-year term.

The current two independent members had brought additional knowledge and expertise to the Committee, and it was proposed that these members be appointed for a further four years.

A member of the Committee asked about the possibility of broadening the pool of independent members by advertising for people who may be interested and staggering the terms of office to ensure continuity.

Resolved to delegate authority to the Chair to investigate the potential for advertising for independent members to ensure that they are represented on the Committee and to bring a report back to the September meeting of the Committee.

06/22 Audit and Governance Committee – Outstanding Resolutions

The Committee received a report which stated which stated that at its meeting on 5 February 2020, the Audit and Accounts Committee resolved: to agree that a Resolution Tracking report be included in future agendas of the Audit and Accounts Committee.

Outstanding resolutions and actions were attached at Appendices 1 and 2 of the report. Any completed resolutions and actions would be removed after the meeting.

A member of the Committee suggested that matters be taken out of the minutes and included in the report after each meeting.

Resolved

- 1. To note the outstanding resolutions and actions at Appendices 1 and 2 of the report.**

2. To remove the final resolution in appendix 1 of the report.
3. To keep the resolution in appendix 2 of the report for the next 2 meetings and then remove it.
4. To include all resolutions and requests for information from each meeting going forward.

07/22 Audit and Governance Committee Annual Report 2021/22

The Committee received a report of the Chair which sought the Committee's input into the Annual Report of the Audit and Governance Committee for 2021/22. The Annual Report was designed to inform Council of the Committee's activities during the Municipal Year 2021/22.

Resolved

1. To endorse the draft annual report attached at Appendix 1 of the report.
2. To authorise the Chair of Committee to present the annual report to Council.

08/22 Internal Audit Annual Report 2021-22 and Head of Internal Audit Opinion

The Committee received a report of Strategic Director of Corporate Resources which provided the Committee with the Annual Internal Audit Opinion as required by the Public Sector Internal Audit Standards, together with a summary of the work that the Council's Internal Audit Service had undertaken during 2021/22.

The report also provided information on the performance of the Internal Audit service in 2021/22 and an assessment of the conformance against the Public Sector Internal Auditing Standards.

Members of the Committee referred to internal audit awareness training for staff and suggested that training be rolled out to staff wherever possible.

Resolved to note the Internal Audit Annual Report and Opinion for 2021/22.

09/22 A Review of the Effectiveness on Internal Audit

The Committee received a report of the Strategic Director of Corporate

Resources which stated that when Members of this Committee completed the annual self-assessment exercise in February 2020, they felt that the question “Does the committee review the adequacy of internal audit staffing and other resources?” was not an area that they had chance to comment on. The Strategic Director of Corporate Resources, (the Council’s s151 Officer), was asked to provide an overall opinion on the effectiveness of the internal audit function, which would include a review of the adequacy of its staffing resource. The report to the June 2021 meeting concluded that CMAP was delivering an effective internal audit service to the Council, but there were areas where he had identified scope for improvement.

The report provided his latest review of the effectiveness of Internal Audit.

A member of the Committee asked if IT audit capacity was an issue. The Head of Internal Audit explained that there was only one IT auditor currently but he was exploring a number of alternatives including resuming the opportunity for IT Audit secondments for students on IT courses at Derby University. Succession planning was ongoing.

Resolved to note the assessment and conclusion.

10/22 Audit and Governance Committee – Draft Work Programme 2022/23

The Committee received a report of the Chair which provided details of the draft work programme for this Committee for the 2022/23 Municipal Year.

A member of the Committee raised concerns about the decision-making process, to spend part of the dedicated Climate Change capital budget on a temporary arrangement of trees and bushes in the Market Place.

Resolved

- 1. To agree the work programme for the Committee set out in appendix 1 of the report.**
- 2. To ask relevant officers and decision-makers to attend the next meeting of the Committee to allow an opportunity for the decision-making process to be explored.**

11/22 Internal Audit Plan 2022/23 – Quarter 2

The Committee received a report of the Strategic Director of Corporate Resources which outlined the proposals for internal audit work in Quarter 2 of 2022/23. This was in accordance with the Public Sector Internal Audit Standards

(PSIAS) which required that Internal Audit develops a risk-based plan to direct their work in the forthcoming financial year.

The appendix to the report also outlined those areas that the Head of Internal Audit had earmarked for audit review in Quarters 3 and 4 of the financial year. These were subject to change in light of new and emerging risks and issues.

Resolved to approve the Internal Audit Plan for Quarter 2 of 2022/23 set out at Appendix 1 of the report.

MINUTES END