

Time Commenced: 10.35am
Time Ended: 12.45pm

AUDIT AND ACCOUNTS COMMITTEE
30 September 2020

Present: Councillor Willoughby (Chair)
Councillors Bettany, Care, Dhindsa, S Khan, McCristal,
Pattison, A Pegg, West and Stuart Green and Philip
Sunderland

In attendance: Richard Boneham – Head of Internal Audit
Stephen Clark – Ernst and Young LLP
Gemma Hadfield – Principal Accountant
Alex Hough – Acting Head of Democracy
Steven Mason – Democratic Services Officer
Simon Riley – Strategic Director of Corporate Resources
Councillor Roulstone - Cabinet Member for Finance and
Procurement
Pete Shillcock – Group Accountant – Corporate Finance
Jayne Sowerby-Warrington - Head of Strategic Asset
Management and Estates

19/20 Apologies for Absence

There were none.

20/20 Late Items

There were no late items.

21/20 Declarations of Interest

There were no declarations of interest.

22/20 Minutes of the meeting held on 29 July 2020

The minutes of the meeting held on 29 July 2020 were agreed as a correct record.

23/20 Audit and Accounts Committee – Outstanding Resolutions

The Committee received a report of the Director of Legal, Procurement and Democratic Services and Monitoring Officer on Audit and Accounts Committee – Outstanding Resolutions.

It was reported 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.

Members considered and reviewed the outstanding resolutions attached at Appendix 1 of the report.

In relation to the Internal Audit Progress Report, considered on 5 February 2020, the Acting Head of Democracy provided an update on the Coroners' Services.

In relation to the Internal Audit Plan 2019-20 – Progress Report, considered on 29 July 2020, the Head of Strategic Asset Management and Estates provided an update on the outstanding Fixed Assets 2018/19 Audit Assignment. The Head of Strategic Asset Management and Estates wished her thanks for the help from Internal Audit, to be recorded.

In relation to Contract Waivers, considered on 29 July 2020, the Chair provided an update on the avoidable waiver for Christmas decorations. Members expressed disappointment that such a waiver needed to be sought and that other suppliers were not contacted and hoped that no similar waivers would appear in the future.

Resolved:

- 1. to note the report; and**
- 2. to note the thanks of the The Head of Strategic Asset Management and Estates for the help of Internal Audit, in relation to the outstanding Fixed Assets 2018/19 Audit Assignment.**

24/20 Annual Governance Statement 2019/20

The Committee received a report of the Strategic Director of Corporate Resources on Annual Governance Statement 2019/20.

It was reported that the Council was required to publish an Annual Governance Statement (AGS) to accompany the annual accounts in accordance with the Accounts and Audit Regulations 2015 and that this was produced following the completion of an annual review of the Council's governance arrangements.

Members noted that the preparation and publication of the AGS was in accordance with the CIPFA/SOLACE “Delivering Good Governance in Local Government” framework.

Members discussed the Council’s response to the coronavirus pandemic, the Governance Working Group and the Transparency Code, in relation to records management.

Resolved:

- 1. to approve the Annual Governance Statement 2019/20 at Appendix 1; and**
- 2. to request that the Leader of the Council and the Chief Executive sign the Certification on page 22 of the Annual Governance Statement.**

25/20 Ernst and Young ISA260 Audit Letter for the Year Ended 31 March 2020

The Committee received a report of the Strategic Director for Corporate Resources on Ernst and Young LLP ISA260 Audit Letter for the Year Ended 31 March 2020.

The report provided the external auditor’s overall findings and audit opinion in respect of the 2019/20 financial year and a draft was circulated to Members of the Committee on 25 September 2020.

EY presented the report and their findings.

Members discussed partnership working, Sinfin Waste Plant, the Assembly Rooms and mitigations in relation to External Audit working remotely, as a result of the coronavirus pandemic.

Members noted the content of the draft letter and agreed to receive the full ISA260 letter at the next meeting of the Audit and Accounts Committee, scheduled for 4 November 2020.

Resolved:

- 1. to note the content of the draft ISA260 Audit Letter; and**
- 2. to agree that the full ISA260 letter be presented at the next meeting of the Audit and Accounts Committee.**

26/20 Audited Financial Statements for the Year Ended 31 March 2020

The Committee received a report of the Strategic Director of Corporate Resources on Audited Financial Statements for the Year Ended 31 March 2020.

Members were provided with the audited Financial Statements of the Council in respect of the year ended 31 March 2020.

It was reported that the Financial Statements should be read in conjunction with the findings of Ernst and Young (External Auditor) as stated in their ISA 260 letter.

Members noted the latest progress of the accounts presented at the meeting and agreed to await the outcome of the Derbyshire County Council pension audit and delay approval of the audited Financial Statements for the year ended 31 March 2020 until the meeting of 4 November, subject to all information being received

Resolved to note the latest progress of the accounts presented at the meeting and to await the outcome of the Derbyshire County Council pension audit and delay approval of the audited Financial Statements for the year ended 31 March 2020 until the meeting of 4 November, subject to all information being received

27/20 Audit and Accounts Committee – Annual Report 2019/20

The Committee received a report of the Chair of the Audit and Accounts Committee on Audit and Accounts – Annual Report 2019/20.

The report sought the Committee's input into the Annual Report of the Audit and Accounts Committee for 2019/20. Members noted that the Annual Report was designed to inform Full Council of the Committee's activities during the Municipal Year 2019/20.

The Committee reviewed the content of the draft annual report attached at Appendix 1.

Members agreed that there should be a review of the Committee's terms of reference and that this should be stated in the report and added to the work programme.

Resolved, subject to the revisions as outlined at the meeting, to approve that the Chair presents the annual report to Full Council.

28/20 Outcome of the Committee's Self-Assessment Exercise

The Committee received a report of the Chair of the Audit and Accounts Committee on Outcome of the Committee's Self-Assessment Exercise.

Members noted that a well-functioning Audit Committee was regarded as key to helping its organisation to achieve good corporate governance.

It was reported that the Audit and Accounts Committee should regularly assess its own performance and the adequacy of its terms of reference, work plans, forums of discussion and communication, with a view to highlighting skills and/or knowledge gaps and identifying areas in which the committee and its processes might be more effective.

The report outlined the issues raised by Members who completed the self-assessment questionnaire to ascertain the effectiveness of the Audit and Accounts Committee.

Members reviewed the outcome of the 2019/20 self-assessment, attached at Appendix 1 of the report.

Members agreed that the action plan be added to the Audit and Accounts Committee – Outstanding Resolutions report.

Resolved to agree the proposed actions to address those areas identified which require improvement, attached at Appendix 2 of the report.

29/20 Committee Training

The Committee received a report of the Chair of the Audit and Accounts Committee on Committee Training.

Members discussed potential areas for future training and development for Committee Members, based on the findings from the Committee self-assessment and the individual knowledge/skills gap exercise.

Members discussed the outcome of the individual knowledge/skills gap assessment based on the CIPFA Framework and considered if there was a need to include such areas in the 2020/21 Committee training programme.

Members considered if the proposed areas for Committee training sessions suggested by the Chair of Committee, in paragraph 4.5 of the report, should be included in the Committee's training plan for 2020/21. These included:

- External Audit
- Fraud risk
- Internal Audit

Members of the Committee were encouraged to approach the Head of Internal Audit with any requests for training.

Resolved to agree that the proposed areas for Committee training sessions suggested by the Chair of the Committee, in paragraph 4.5 of the report, should be included in the Committee's training plan for 2020/21

30/20 Redmond Review

The Committee received a report of the Strategic Director of Corporate Resources on Redmond Review.

The report provided a brief overview to Committee on the findings of the recently published Redmond Review, the aim of which was to ensure good practice across all English local government organisations in terms of financial reporting and external audit.

Members noted that some paragraph, at the end of the report, were missing and it was agreed that a revised set of papers be circulated to Members of the Committee.

Resolved to note the report.

MINUTES END