

Time Commenced: 10.00am
Time Ended: 12.20pm

AUDIT AND ACCOUNTS COMMITTEE
27 January 2021

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

In attendance: Richard Boneham – Head of Internal Audit
Andy Brammall – Director of Digital & Customer
Management
Steve Caplan – Director of Property Services
Stephen Clark – Ernst and Young LLP
Heather Greenan – Director of Policy, Insight and
Communications
Alex Hough – Head of Democracy
Olu Idowu – Head of Legal Services
Steven Mason – Democratic Services Officer
Simon Riley – Strategic Director of Corporate Resources
and S151 Officer
Sarah Walker – Head of Strategy and Performance
Doug Walkman – Head of Service - Trading Standards,
Food and Safety, Bereavement Services and Building
Consultancy

47/20 Apologies for Absence

There were none.

48/20 Late Items

There were no late items.

49/20 Declarations of Interest

There were no declarations of interest.

50/20 Minutes of the meeting held on 4 November 2020

The minutes of the meeting held on 4 November 2020 were agreed as a correct record.

In relation to 37/20 – Audited Financial Statements for the Year Ended 31 March

2020, Members wished it to be noted that they expected the Pension Fund Audit to be resolved by the middle of February 2021. Members noted the delay caused by the Covid pandemic and agreed that going forward, the External Auditors should plan for this being the 'new normal'.

51/20 Audit and Accounts Committee – Outstanding Resolutions

The Committee received a report of the Strategic Director of Corporate Resources 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 and Appendix 2.

In relation to the Committee's work programme, the Chair noted that the Head of Internal Audit appeared to be the responsible officer for the following strategy, policies and procedures:

- Anti-Fraud and Corruption Strategy
- Anti- Money Laundering Policy & Procedure
- Anti- Bribery Policy & Procedure

Members agreed that to maintain his independence, the Head of Internal Audit should not be responsible for writing the policies and that other officers should be identified.

The Head of Democracy provided an update on the Coroners Service audit assignment. The Committee raised concerns in relation to the length of time it had taken the county council to resolve this matter.

It was agreed that the Chair, Vice Chair and the Head of Internal Audit would meet to review Appendices 1 and 2, to determine which outstanding resolutions could be removed.

Resolved to agree that to maintain the Head of Internal Audit's independence, he should not be responsible for writing the following strategy, policies and procedures and that other officers should be identified

- **Anti-Fraud and Corruption Strategy**
- **Anti- Money Laundering Policy & Procedure**
- **Anti- Bribery Policy & Procedure**

52/20 Risk Management – mid-year assurance report

The Committee received a report of the Director of Policy, Insight and Communications on Risk Management – mid-year assurance report.

It was reported that following the approval of the refreshed Risk Management Strategy and Handbook in November 2020, risk reporting to the Audit and Accounts Committee had been re-positioned to providing assurance on the effective implementation of the council's risk management framework.

The mid-year review of progress with the implementation of the Strategy and Handbook was presented at Appendix 1 of the report; covering the position as it stood at the end of December 2020.

Presented at Appendix 2 was an assurance overview for the Strategic Risk Register, for the period ending September 2020, which represented the last position reported to Council Cabinet in November 2020.

Members noted that there were no risks identified by officers for a Risk Surgery, as adequate assurance was judged to be in place for all strategic risks, with no issues arising that required further consideration by the Audit and Accounts Committee.

Members discussed risk management training and agreed that this should be incorporated into the training programme for new officers. It was reported that there had been an increase in the number of risk champions.

Members thoroughly discussed emerging risks and the importance of risk awareness. It was reported that although there was strategic oversight, everyone was a risk advocate. Members noted that a report on risk appetite was due to be brought to a future meeting of the Committee.

It was agreed that the Assurance Team should provide the Committee with updates on risks that had emerged over the last reporting period, with a focus on risk escalations.

The Committee wished its appreciation for all the work carried out by officers to be noted.

Resolved:

- 1. to note the assurance assessments for each stage of the risk management process, presented in Appendix 1, alongside the opportunities for improvements that will be progressed throughout 2021;**

- 2. to note the assurance judgements presented for the risks in the strategic risk register set out in Appendix 2;**
- 3. to agree that risk management training should be incorporated into the training programme for new officers;**
- 4. to agree that the Assurance Team should provide the Committee with updates on risks that have emerged over the last reporting period, with a focus on risk escalations; and**
- 5. to agree that the appreciation of the Audit and Accounts Committee for all the work carried out by officers be noted.**

53/20 Internal Audit Progress Report

The Committee received a report of the Strategic Director of Corporate Resources on Internal Audit Progress Report.

The progress report attached at Appendix 1 provided the Committee with an overview of the output from Internal Audit assurance work for the period 1 October 2020 to 31 December 2020.

Members reviewed the control issues being raised by Internal Audit and management's response to the risks.

Members reviewed the progress being made by management in respect of the implementation of internal audit recommendations.

The Director of Property Services provided an update on the Market Hall Refurbishment audit assignment. He addressed each of the weaknesses and confirmed that all 13 had been addressed and implemented. Committee sought assurances on the three significant risks that had been identified. The Committee were satisfied that in relation to the Market Hall, there was assurance that the issues would not re-occur.

The Head of Internal Audit provided an update on the Communities and Place – scheme of delegation audit assignment.

The Director of Digital and Customer Management provided an update on the Back Ups audit assignment and the weaknesses that had been identified.

The Head of Service - Trading Standards, Food and Safety, Bereavement Services and Building Consultancy provided an update on the Bereavement Services audit, in relation to the two significant risk recommendations that were overdue for implementation. Members sought assurance around what was in place, particularly in relation to the Covid pandemic and catastrophic failure.

Members identified a potential weakness in relation to changes to the membership of the Committee, from one municipal year to the next, and its

monitoring of implementation dates. Members felt that implementation dates should not slip or go beyond the end of the municipal year. It was reported that the dates were part of a much wider ongoing programme. It was agreed that, wherever possible, implementation dates should not extend beyond the current financial year.

Resolved:

- 1. to note the progress being made by Internal Audit on its work in 2020/21, including brought forward work from 2019/20 in the report at Appendix 1; and**
- 2. to recommend that, wherever possible, implementation dates do not extend past the current financial year.**

54/20 Redmond Review - Update

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

The report provided an update on the Redmond Review published in September 2020, including the response of the Ministry of Housing, Community and Local Government to the review and highlighted other evidence that supported Sir Tony Redmond's findings.

Resolved to note the report.

55/20 Exclusion of Press and Public

Resolved that under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 3 and 7 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

56/20 Risk Based Verification Policy from 1 April 2021

The Committee received an exempt report of the Director of Financial Services on Risk Based Verification Policy from 1 April 2021.

Resolved to approve the Council's Risk Based Verification Policy from 1 April 2021.

MINUTES END