

Time Commenced: 10.02am  
Time Ended: 1.46pm

**AUDIT AND ACCOUNTS COMMITTEE**  
**29 July 2020**

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

In attendance: Richard Boneham – Head of Internal Audit  
Stephen Clark – Ernst and Young LLP  
Heather Greenan - Director of Policy, Insight &  
Communications  
Steven Mason – Democratic Services Officer  
John Massey - Head of Benefits & Exchequer Services  
Simon Riley – Director of Financial Services  
Linda Spiby – Head of Procurement and Contracting  
Tracey Thomas – Senior Counter Fraud Investigator

**01/20      Apologies for Absence**

Apologies were received from Councillor Pattison and Stuart Green.

**02/20      Late Items**

There were no late items.

**03/20      Declarations of Interest**

There were no declarations of interest.

**04/20      Minutes of the meeting held on 5 February 2020**

The minutes of the meeting held on 5 February 2020 were noted.

**05/20      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.

**Resolved to note the report.**

## **06/20      Audit and Accounts Committee Work Programme 2020-21**

The Committee received a report of the Director of Financial Services on Audit and Accounts Committee Work Programme 2020-21.

Members considered the updated work programme for the Committee for the 2020/21 Municipal Year.

**Resolved to agree the work programme for the Committee as set out in Appendix 1.**

## **07/20      External Audit Plan Year Ended 31 March 2020**

The Committee received a report of Ernst and Young LLP on External Audit Plan Year Ended 31 March 2020.

Members considered significant risks, materiality and value for money risks.

Members discussed the risk of fraud due to coronavirus and the Sinfon waste plant.

**Resolved to note the report.**

## **08/20      Risk Management Monitoring Report for the Period to 31 March 2020 (2019/20)**

The Committee received a report of the Director of Policy, Insight and Communication on Risk Management Monitoring Report for the Period to 31 March 2020 (2019/20).

This report presented an updated Strategic Risk Register, for the period ending 31 March 2020.

It was noted that there was a total of 16 risks in the Strategic Risk Register at end of quarter 4 and that the changes made from the position reported to Audit and Accounts at the end of quarter 3 (December 2019), were presented in

paragraphs 4.3 and 4.5. It was also noted, that of the risks contained within the register, eight (50%) were currently judged to be 'significant' and that this represented an increase from the position reported at the end of December 2019, when five of 13 strategic risks (38%) were assessed as 'significant'. It was reported that two of the significant risks were new to the Strategic Risk Register and related to possible implications of Covid-19.

Members discussed the work being done by the Covid-19 and BREXIT Boards and requested that more information about these boards be circulated to members of the Committee. Members agreed that more detail on Covid-19 and BREXIT be included in the next update report to come to committee. The Committee also requested regular briefings for all elected members on Covid-19.

Members discussed risk SR6 – ineffective project management governance and agreed that the Committee would monitor progress on this risk.

**Resolved:**

- 1. to note that the refresh of the Risk Management Strategy and Handbook have been delayed due to competing demands arising from Covid-19;**
- 2. to request that further information on the Covid-19 and BREXIT Boards be circulated to the Committee;**
- 3. to agree that the next update report to come to the Audit and Accounts Committee should include more detail in relation to Covid-19 and BREXIT;**
- 4. to requested that all elected members receive regular briefings on Covid-19; and**
- 5. to agree that progress on SR6 – ineffective project management governance be monitored by the Audit and Accounts Committee.**

## **09/20      2019-20 Risk Surgeries**

The Committee received a report of the Director of Policy, Insight and Communication on 2019-20 Risk Surgeries.

It was reported that during the financial year 2019/20, Audits and Accounts Committee identified two risks from the Strategic Risk Register for consideration via a Risk Surgery:

- SR10 / P-R1 - CYP Demand Management (High demand, sufficiency challenges and budget implications).
- SR14/C&P-R1 - Sinfin Waste Plant (Adverse outcome to estimated fair value determination).

Members noted that both surgeries took place in June 2020, having been

rescheduled from the end of March 2020, due to Covid-19.

The purpose of the report was to present members of Audit and Accounts Committee with the minutes of the surgeries, with a focus on the actions agreed. Members agreed that the actions be added to the Audit and Accounts Committee – Outstanding Resolutions report.

**Resolved to note the minutes of both surgeries presented in Appendices 1 and 2, paying particular attention to the agreed actions presented in paragraphs 4.5 and 4.6.**

## **10/20      Annual Report and Review of Performance 2019-20**

The Committee received a report of the Chief Executive on Annual Report and Review of Performance 2019-20.

It was noted that every year the Council produces a short Annual Report, which is published alongside the Annual Review of Performance that presents a summary of progress against agreed priorities from the last year.

It was reported that these documents were important in communicating the work that the Council delivers, its achievements and the challenges it has encountered. It was also reported that they complemented the Statement of Accounts and Annual Governance Statement that, by necessity, were technical in nature and published separately.

Members noted that the Annual Report and Annual Review of Performance were approved by Council Cabinet on Wednesday 15 July 2020.

Members discussed the addition of a “climate change considerations” section to the standard Council report template. It was agreed that the Director of Financial Services would raise this with the relevant officers.

**Resolved to note the Annual Report and Annual Review of Performance.**

## **11/20      Contract Waivers for the Period 1 July 2019 to 28 February 2020**

The Committee received a report of the Director of Legal, Procurement and Democratic Services and Monitoring Officer on Contract Waivers for the Period 1 July 2019 to 28 February 2020.

The Committee considered the approved waivers in line with Contract Procedure Rules.

Members were concerned about the avoidable waiver for the approval of Christmas decorations in the Market Place. It was noted that the value was £175,000.00. It was agreed that the Chair and Vice Chair would meet with the Director of Leisure, Culture and Tourism to seek more details on the decision making process and that an update would be provided at the next meeting of the Audit and Accounts Committee.

**Resolved:**

- 1. to note the report and the reduction in the total number of waivers being reported since the last report; and**
- 2. to agree that the Chair and Vice Chair will meet with the Director of Leisure, Culture and Tourism to seek more details on the decision making process in relation to the avoidable waiver for Christmas decorations in the Market Place and that an update will be provided at the next meeting of the Audit and Accounts Committee.**

## **12/20 Counter Fraud Framework and Annual Report 2019/20**

The Committee received a report of the Director of Financial Services on Counter Fraud Framework and Annual Report 2019/20.

It was reported that the Council was committed to the prevention, deterrence, detection and investigation of all types of crime, especially fraud and corruption, committed against it and the systems it administers.

Members considered the Annual Report, attached at Appendix 1, outlining the effectiveness of the Council's current counter fraud framework.

**Resolved to note the actions taken and the progress being made on counter fraud activities across the Council.**

## **13/20 Internal Audit Plan 2019-20 – Progress Report**

The Committee received a report of the Director of Financial Services on Internal Audit Plan 2019-20 – Progress Report.

It was reported that the cancellation of the Committee meetings planned for 25<sup>th</sup> March 2020 and 17<sup>th</sup> June 2020 due to the COVID-19 pandemic, had meant that the Committee had not received information on progress with the 2019/20 planned work since the report to the February meeting which covered the period to 31<sup>st</sup> December 2019.

It was noted that the progress report attached at Appendix 1 provided the Committee with an overview of the output from the 2019/20 Internal Audit assurance work for the period 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2020.

The report also updated the Committee on issues that were raised at the February meeting around internal audit work on Sinfin Waste Plant and the Assembly Rooms.

The Committee reviewed the control issues being raised by Internal Audit and management's response to the risks and the progress being made by management in respect of the implementation of internal audit recommendations.

Members discussed the following brought forward job:

- Fixed Assets 2018/19

Members were concerned that this was still outstanding and it was agreed that the Chair and Vice Chair would pursue this matter with relevant officers and an update would be provided at the next meeting of the Audit and Accounts Committee.

**Resolved:**

- 1. to note the progress made by Internal Audit on the 2019/20 plan, including any brought forward work from 2018/19 in the report at Appendix 1; and**
- 2. to agree that in relation to the outstanding Fixed Assets 2018/19 audit assignment, the Chair and Vice Chair will meet with relevant officers and an update will be provided at the next meeting of the Audit and Accounts committee.**

## **14/20 Internal Audit Annual Report 2019-20 and Head of Internal Audit Opinion**

The Committee received a report of the Director of Financial Services on Internal Audit Annual Report 2019-20 and Head of Internal Audit Opinion.

The report 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 2019/20.

The report also provided information on the performance of the Internal Audit service in 2019/20 and an assessment of the conformance against the Public Sector Internal Auditing Standards.

**Resolved to note the Internal Audit Annual Report and Opinion for 2019/20.**

## **15/20 Internal Audit Plan 2020-21 and Internal Audit Charter**

The Committee received a report of the Director of Financial Services on Internal Audit Plan 2020-21 and Internal Audit Charter.

The Committee were briefed on the impact of the COVID-19 pandemic on the Council's internal audit function and the implications for Internal Audit work planned in 2020/21.

The report also sought Committee approval of CMAP's Internal Audit Charter.

**Resolved:**

- 1. to note the need to vary the approach for developing and delivering the Internal Audit Plan for 2020/21; and**
- 2. to approve the Internal Audit Charter at Appendix 1.**

## **16/20 CIPFA Guidance on Internal Audit Engagement Opinions**

The Committee received a report of the Director of Financial Services on CIPFA Guidance on Internal Audit Engagement Opinions.

The report provided the Committee with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) on standard assurance ratings and definitions for internal audit reports.

**Resolved to note the report.**

## **17/20 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 paragraph 3 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.**

## **18/20 Information Governance Update**

The Committee received an exempt report of the Director of Digital & Customer

Management on Information Governance Update.

**Resolved:**

1. to note the report; and
2. to request an update is given at a future meeting of the Audit & Accounts Committee.

MINUTES END