

ITEM 4

Time Commenced: 11.01am

Time Ended: 1.30pm

AUDIT AND ACCOUNTS COMMITTEE 24 March 2021

- Present: Councillor Willoughby (Chair)
Councillors Bettany, Care, S Khan, McCristal, Pattison,
A Pegg, West and Stuart Green and Philip Sunderland
- In attendance: Sinead Booth – Information Governance Manager and Data
Protection Officer
Richard Boneham – Head of Internal Audit
Andy Brammall – Director of Digital & Customer
Management
Gemma Hadfield – Principal Accountant
Helen Henshaw - Ernst and Young LLP
Olu Idowu – Head of Legal Services
Steven Mason – Democratic Services Officer
Alison Parkin – Director of Financial Services
Simon Riley – Strategic Director of Corporate Resources
and S151 Officer
Peter Shillcock – Group Accountant
Linda Spiby – Head of Procurement
Sarah Walker – Head of Strategy and Performance

57/20 Apologies for Absence

Apologies were received from Councillor Dhindsa.

58/20 Late Items

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late item on the grounds that it should be considered as a matter of urgency as Members wished to be updated on the latest position in relation to the audit of the 2019/20 statement of accounts before the next scheduled meeting.

- Statement of Accounts 2019/20

59/20 Declarations of Interest

There were no declarations of interest.

60/20 Minutes of the meeting held on 27 January 2021

The minutes of the meeting held on 27 January 2021 were agreed as a correct record.

61/20 Statement of Accounts 2019/20 - update

The Committee received a report of the Strategic Director of Corporate Resources on Statement of Accounts 2019/20 - update.

The Committee were provided with an update on the latest position regarding the audit of the 2019/20 Statement of Accounts.

The Committee wished it to be noted that it was concerned by the length of time it was taking for the accounts to be signed off. The reasons for the delay were outlined by Helen Henshaw – Ernst and Young LLP. In relation to this, it was agreed that the Chair and the S151 Officer should raise the Committee's concerns with the PSAA and the NAO.

Resolved:

- 1. to note the update; and**
- 2. to agree that the Committee's concerns about the length of time it was taking for the accounts to be signed off, be noted, and that the Chair and the S151 Officer should raise those concerns with the PSAA and the NAO.**

62/20 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 and noted those that had been completed.

Members considered the draft programme of work to March 2021, attached at Appendix 3 of the report, and noted the activities that had not come to Committee. Members were informed which of those outstanding activities would be brought to Committee in the following municipal year.

Resolved to note the report.

63/20 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 to 8 March 2021.

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 lessons learnt from the A52 project and RAM Energy. It was agreed that the S151 Officer and the Head of Internal Audit should consider how the Council could best track lessons learnt and report back to Committee.

Members considered the 17 moderate risk recommendations that had exceeded the original action date by 6 months, at pages 13 and 14 of Appendix 1. Members discussed the instances where Internal Audit had sought a reason for the delay but no response had been forthcoming. It was agreed that these should be escalated to Service Directors to chase up outstanding recommendations. In relation to the Special Educational Needs – Action Plan audit review, it was agreed that if no response had been received by the next scheduled meeting, the responsible officer should be called to attend.

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 agree that the S151 Officer and the Head of Internal Audit should consider how the Council could best track lessons learnt from Council projects and that this be reported back to Committee.**

64/20 Internal Audit Annual Plan 2021/22 and Internal Audit Charter

The Committee received a report of the Strategic Director of Corporate Resources on Internal Audit Annual Plan 2021/22 and Internal Audit Charter.

The report outlined the proposals for internal audit work in 2021/22. 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 report sought the Committee's approval of the Internal Audit Plan for Quarter 1 of 2021/22 and CMAP's Internal Audit Charter.

Resolved:

- 1. to approve the Internal Audit Plan for Quarter 1 of 2021/22 at Appendix 1; and**
- 2. to approve the Internal Audit Charter at Appendix 2.**

65/20 Counter Fraud Update

The Committee received a report of the Strategic Director of Corporate Resources on Counter Fraud Update.

The report provided an update on the counter fraud activities, including the National Fraud Initiative, being undertaken within the Council.

The work of the Council's Counter Fraud Team over the period 1 October 2020 to 28 February 2021 was outlined together with a savings breakdown at Appendix 1 of the report.

The report also provided an update for the period 1 October 2020 to 28 February 2021 on any notifications/investigations that had taken place under the following legislation:

- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017).
- Bribery Act 2010.
- Public Interest Disclosure Act 1998.
- Regulation of Investigatory Powers Act 2000.

Committee's attention was also drawn to two recent publications on Fraud from the Chartered Institute of Public Finance and Accountancy (CIPFA) – the annual fraud and corruption tracker and from the National Audit Office (NAO) – a Good Practice Guide on Fraud and Error.

The Head of Internal Audit provided an update on the Cabinet Office consultation in relation to the extension of the powers of the National Fraud Initiative (NFI).

An update was also provided on the work of the Counter Fraud Team, including work in relation to the Public Interest Disclosure Act 1998 and one potential Money Laundering issue that required reporting to the National Crime Agency for

consideration.

It was noted that in addition to investigating fraud, the team was also working with the relevant service area to minimise its exposure to fraud risks in relation to Children Missing from Education. The Head of Internal Audit to organise for Members to be provided with more clarity, outside of the meeting.

Members considered the estimated fraud figures at paragraph 4.14 of the report as provided by the Annual Fraud Indicator 2017.

Members offered their appreciation to the Counter Fraud Team for all of its work.

Resolved:

- 1. to note the actions taken and the progress being made on counter fraud activities across the Council; and**
- 2. to agree that the appreciation of the Committee offered to the Counter Fraud Team for all of its work, be noted.**

66/20 Accounting Policies 2020/21

The Committee received a report of the Strategic Director of Corporate Resources on Accounting Policies 2020/21.

It was reported that although the Council was proposing to make no amendments to its Accounting Policies for 2020/21, the Committee still needed to consider and approve such policies.

The Committee considered the accounting policies to be used in completing the 2020/21 Statement of Accounts, as set out in Appendix 1 of the report.

Resolved:

- 1. to approve the accounting policies to be used in completing the 2020/21 Statement of Accounts, as set out in Appendix 1; and**
- 2. to delegate to the Strategic Director of Corporate Resources the power to make new accounting policies and amend existing policies, in the light of changes to recommendations and regulations, as may become necessary in the production of the accounts and during the external audit process, with any such changes being reported back to the Audit and Accounts Committee.**

67/20 Contract Waivers for the period 1 July 2020 to 31 December 2020

The Committee received a report of the Director of Legal Procurement and Democratic Services on Contract Waivers for the period 1 July 2020 to 31 December 2020.

The report brought to the attention of the Audit and Accounts Committee approved waivers in line with Contract Procedure Rules.

It was reported that a number of the waivers that were classified as avoidable, were actually unavoidable due to the Covid pandemic. It was agreed that the Head of Procurement would re-visit the report and re-circulate it to Committee with adjusted figures that highlighted where this was the case. It was also agreed that this would be reflected in future reports to the Committee.

Resolved:

- 1. to note the contents of the report and the quarterly comparison of the total number of waivers being reported; and**
- 2. to agree that future reports would reflect where waivers were unavoidable due to the Covid pandemic.**

68/20 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.

69/20 Information Governance Update

The Committee received an exempt report of the Director of Digital & Customer Management on Information Governance Update.

Resolved to note the report and to request an update is given at the next Audit & Accounts Committee.

MINUTES END