

Time Commenced: 10.04am
Time Ended: 12.08pm

AUDIT AND GOVERNANCE COMMITTEE

14 June 2023

Present: Councillor Morgan-Mcgeehan (Chair)
Councillors Care, Mulhall, Repton, Bolton, Sandhu, Wilson
and J Wright.
Co-opted Members Philip Sunderland

In attendance: Richard Boneham – Head of Internal Audit
Alison Parkin – Director of Finance
Martin Shipley – Group Auditor
Hannah McDonald – Group Auditor
Andy Brammall – Director of Digital and Customer Services
Pete Shillcock - Group Accountant – Corporate Finance
Hassan Rohimun - EY

01/23 Apologies for Absence

Apologies for absence were received for Councillor Kus.

02/23 Late Items

There were no late items.

03/23 Declarations of Interest

There were no declarations of interest.

04/23 Minutes of the meeting held on 22 March 2023

The minutes of the meeting held on 22 March 2023 were agreed as a correct record.

05/23 Derby City Council Audit planning report

The Committee received a report of Ernst and Young LLP on External Audit Plan Year Ended 31 March 2022.

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

Members expressed disappointment that this report had been delayed. Members discussed whether all misstatements should be reported to the Audit and

Governance Committee. Members discussed the risks resulting from Highways Infrastructure and Pension Funds.

Resolved to note the report.

06/23 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 Appendix 1 of the report. Any completed resolutions and actions would be removed after the meeting.

Resolved to note the report.

07/23 Audit and Governance Committee – Draft Work Programme 2023-24

The Committee received a report of the Chair which provided details of the draft work programme for this Committee for the 2023/24 Municipal Year.

A councillor asked for the Constitutional Review to be added to the work programme.

Resolved to agree the work programme for the Committee with the addition of an item on the Council's Constitutional Review.

08/23 Audit & Governance Committee – Annual Report 2022/23

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 2022/23. The Annual Report was designed to inform Council of the Committee's activities during the Municipal Year 2022/23.

Members of the Committee discussed whether the Annual Report could be streamlined in future years.

Resolved

- 1. To endorse the draft annual report attached at Appendix 1 of the**

- report.
- 2. to approve that the annual report is presented to the next meeting of Full Council.**

09/23 Internal Audit Annual Report 2022/23 and Head of Internal Audit Opinion

The Committee received a report on Internal Audit Annual Report 2022/23 and Head of Internal Audit Opinion 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 2022/23.

The report also provided information on the performance of the Internal Audit service in 2022/23 and an assessment of the conformance against the Public Sector Internal Auditing Standards.

Resolved to note the Internal Audit Annual Report and Opinion for 2022/23.

10/23 A Review of the Effectiveness of Internal Audit

The Committee received a report of the Director of Finance on A Review of the Effectiveness of Internal Audit. The Committee considered a report which was designed to give Members an overview of the effectiveness of Internal Audit, as required by the Accounts and Audit (England) Regulation 2015.

The findings of the review were highlighted in section 4 of the report and in the associated appendices and concluded that the Council had an effective internal audit function. It was reported that the Council's internal audit was delivered by the Central Midlands Audit Partnership. It was noted that the Council had a highly qualified internal audit section and that work was being undertaken to ensure that there was a succession plan in place.

Members of the Committee discussed the staffing levels of Internal Audit. It was noted that all areas identified as significant risk within the Council were audited.

Resolved to note the Director of Finance's conclusion in paragraph 4.38 of the report.

11/23 Internal Audit Plan 2023/24 - Quarter 2

The Committee received a report on the Internal Audit Plan 2023/24 - Quarter 2 which outlined the proposals for internal audit work in Quarter 2 of 2023/24. 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.

A councillor asked whether homelessness could be included in the Internal Audit Plan. The Head of Internal Audit agreed to discuss this with the Group Auditors.

Resolved to approve the Internal Audit Plan for Quarter 2 of 2023/24 set out at Appendix 1 of the report.

12/23 Exclusion of Press and Public

Resolved that under Section 100(A) 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.

13/23 Information Governance Update

The Committee considered a report which provided an update to the Committee regarding the Council's statutory compliance with Information Governance Laws for the financial year 2022-2023. The report highlighted key areas of information risk, provided the Committee with oversight as to what vulnerabilities existed and what priority measures were in place. The report also demonstrated the volume of demand on the Council's Information Governance (IG) Team, and the Council as a whole.

Resolved to note the contents of the report and to request an update is given at the December Audit & Governance Committee.

MINUTES END