

## **AUDIT AND GOVERNANCE COMMITTEE**

**13th July 2022**

- Present:** Councillor Alan Amos in the Chair  
Councillors Barnes (Vice-Chair), Lamb, Lawrance, Mackay and Piotrowski
- Officers:** Sian Stroud, Corporate Director – Planning and Governance  
Shane Flynn, Corporate Director – Finance and Resources  
Andy Bromage, Head of Internal Audit Shared Services
- Apologies:** Councillor Bayliss

**1 Declarations of Interest**

None.

**2 Public Participation**

None.

**3 Minutes**

**RESOLVED: That the minutes of the meeting held on 23<sup>rd</sup> March 2022 be approved as a correct record and signed by the Chairman.**

**4 Annual Governance Statement 2021/22**

The Committee considered a report on the Annual Governance Statement 2021/22.

The Council's governance arrangements have been reviewed and an Annual Governance Statement (AGS) has been drafted and attached as appendix 1 to the report.

Overall the Council's assessment of its governance is positive as the Council continued to manage the response to the Covid pandemic and run the statutory services alongside delivery of major projects and new initiatives. The ongoing delay in publication of the external audit opinion is noted as a significant concern.

Once approved, the AGS will be signed by the Joint Leader of the Council and the Managing Director (Head of Paid Service) on behalf of the Council. The agreed statement will be published and will accompany the Council's Statement of Accounts when completed.

The Corporate Director – Planning and Governance presented the report and drew the Committee’s attention to the detailed examples of the effectiveness of the Council’s corporate governance during the year 2021/22 highlighted at 3.6 – 3.37 of the report. The key points were highlighted.

The last part of the statement set out the significant governance issues which have been addressed during the year or require attention in the next year and the priority areas for governance identified in 2022/23.

The Corporate Director – Planning and Governance, the Corporate Director – Finance and Resources and the Head of Internal Audit Shared Services responded to questions from Committee Members on detailed aspects of the report in particular in relation to risk management, appointment to the Community Services Grants Panel and the review report, the appointment criteria to the Towns Deal Board and environmental sustainability and the quality of the impact assessments. There was also a discussion about the challenges of administering Government grant schemes which are established often against very short timescales or specific criteria and are distributed to multiple applicants (for example, Covid recovery, Council tax relief, hardship and welfare, regeneration schemes).

Concerns were expressed by Members over the delay of the external audit and what payments if any have been made. The Corporate Director – Finance and Resources provided Committee Members with the current situation he also confirmed that the Council is waiting for an update on who the new auditors would be, it is likely to be 2024 when they are in place.

The Corporate Director – Planning and Governance informed Committee Members that having heard the discussions around the governance challenges ahead she proposed an additional bullet point in the summary responding to the ongoing challenges of administering the various Government grant schemes. The Committee agreed to this amendment.

**RESOLVED: That the Committee approve the Annual Governance Statement 2021/22 at Appendix 1 for sign off by the Joint Leader of the Council and the Managing Director for inclusion in the Annual Statement of Accounts.**

## **5 Internal Audit Report 2021/22 Including Audit Opinion and Commentary**

The Committee received a report on the Internal Audit 2021/22 annual report including the audit opinion and commentary.

The Head of Internal Audit Shared Services presented the report and summarised the main points, and drew the Committee’s attention to the appendices attached to the report.

Committee Members were informed that of the 16 audit reviews that took place, the majority have been allocated an overall assurance of ‘moderate’ or above. ‘Moderate’ or above indicates that there is generally a sound system of internal control in place, no significant control issues have been encountered and no material losses have been identified. There was one audit given an assurance statement of ‘limited’. No areas were given a ‘no’ assurance rating.

There was no material fraud identified during the year with no material loss identified or reported. However, there had been an increased amount of vigilance and anti-fraud checking work undertaken during the year with an emphasis on the various business grants that have been available.

For the benefit of the new Members to the Committee the Head of Internal Audit Shared Services clarified the audit reporting process, which currently is reporting on a quarterly basis which identifies any potential areas of risk for the Council to monitor. The annual report is a summary of all progress reports.

The Head of Internal Audit Shared Services drew the Committee's attention to a couple of typographical errors in appendices 2 and 3, figure should read 6 not 3 for moderate or below assurances.

In response to questions from Committee Members the Head of Internal Audit Shared Services clarified matters in relation to percentages of those working from home and in the office and issues with home wi-fi, reduction in service productivity, challenges with the move to Office 365 and its impact. Other issues raised related to the Health and Safety and CCP (Caring for Communities and People) assurances which were identified as Limited (D) and Critical Review for which the Head of Internal Audit Shared Service responded to.

The Corporate Director – Planning and Governance reassured Committee Members that the Hybrid Working Policy, approved by Personnel and General Purposes Committee, is explicit that the work place is the office. Committee Members agreed that working from home is acceptable as long as the individual is productive.

**RESOLVED: That the Committee notes the report contents.**

## **6 Any Other Business**

None.

**Duration of the meeting:** 7.00p.m. to 8.29p.m.

Chairman at the meeting on  
21st September 2022