

AUDIT AND GOVERNANCE COMMITTEE

20th September 2023

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

41 Declarations of Interest

None.

42 Public Participation

None.

43 Minutes

RESOLVED: That the minutes of the meeting held on 4th July 2023 be approved as a correct record and signed by the Chairman.

44 External Audit Progress 2021/22 to 2023/24

The Committee received a report on the External Audit Progress 2021/22 to 2023/24.

The Head of Finance presented the report and informed Committee Members that the draft 2021/22 accounts and audit had been published and were available on the City Council website, a copy of the accounts were attached as Appendix 1 to the report.

The auditors had not yet confirmed a date for starting the audit of the 2022/23 accounts, but it is hoped they will be presented at the meeting in March 2024, before the end of the current financial year.

The new auditors had been appointed and they will commence with the 2023/24 accounts. An initial introduction meeting had been held and the preliminary planning for the audit is expected to start in February 2024.

Committee Members noted the typographical error in section 4 (Political Structure) of the narrative report in the appendix, which should read that from May 2024 elections will be held every four years and not five years as stated.

Reference was made to the mortality rates in section 26 (Pension Costs) and the figures given for longevity at 65 for current male pensioners. It was felt that this figure was out of kilter compared to the national figure. The Corporate Director – Finance and Resources stated that these figures were provided by actuaries and would request clarification on what these figures represent. The purpose of the table in the report was to show how they have changed over time. The Chairman suggested that a short report to a future committee may be useful to provide some clarity.

RESOLVED: That the Committee

- 1. note the external auditor’s progress and plans with the audits of the accounts for 2021/22 and 2022/23; and**
- 2. note the appointment of the new auditor to commence with the audit for 2023/24.**

45 Internal Audit Progress Report 2023/2024

The Committee considered an update report on the Internal Audit’s progress towards meeting its objectives as set out in the audit plan for 2023/24. The period of reporting covers up to 31st August 2023.

The Head of Internal Audit Shared Service presented the report and appendices, summarising the main points. It was reported that three 2022/23 audit reports had been finalised since the last progress report, as set out in paragraph 4.1 of the report, and seven reviews are at draft stage awaiting final management sign off, as set out in paragraph 4.2.

Committee Members referred to the audit of grants, in particular the covid recovery grants, and how these were audited to ensure that monies allocated are spent correctly. The Head of Internal Audit stated that as far as covid recovery grants are concerned there were certain terms and conditions applied and they had undergone substantial scrutiny with regard to any fraudulent activity.

Some Committee Members raised concerns that there was the potential for the removal of cheque payments with regard to planning applications. The Chairman agreed that options for ways to pay for any council services should remain, but it will be a policy decision if payment by cheque was to be abolished. The Head of Internal Audit confirmed that this would come before members if there was a corporate requirement to move away from cheque payments.

Reference was made to consultancy services and whether there is a way of auditing the value for money and effectiveness of the services that the council commissions. The Head of Internal Audit stated that there was nothing specific in the internal audit plan this year to look at consultancy services but can be included in the future if members wish. Committee Members agreed that there is a value to looking into how we commission consultancy services and what return we get from a value for money perspective.

The Chairman stated that he had raised this issue previously and agreed that it would be a good idea to look at this and asked internal audit to prepare a report.

The Head of Internal Audit stated that he would be happy to carry out a piece of work on this specific topic and suggested that it goes into the plan for 2024/25. Committee Members agreed.

With some councils issuing Section 114 Notices and legal challenges facing some councils with regard to equal pay, reassurances were sought that this council was in a good position. The Corporate Director – Finance and Resources assured Committee Members that the council was at no risk of issuing a Section 114 Notice and there was no issue of equality for pay. The Corporate Director – Planning and Governance stated that the Annual Governance Statement looks back at the year gone and is not a current snapshot. It was suggested that it might be useful for the next meeting if a narrative/real time commentary was provided. Committee Members welcomed this.

RESOLVED: That the Committee note the report.

46 Any Other Business

Committee Agenda Pack Distribution

Councillor Jagger asked for clarification on the structure for releasing agendas/reports in advance of committee meetings to give members time to read and digest the information, particularly for new members. She indicated that there were some inconsistencies as to when these should be available and asked what the procedure was and what the expectation is for receiving these papers.

The Corporate Director – Planning and Governance stated that the expectation is set out in legislation in that agendas for committees are published 5 clear working days ahead of the meeting for every formally-constituted meeting.

The 5 clear working days to publish an agenda is observed by the Democratic Services Team for every formal committee meeting, if this was not the case then any decisions taken by a committee would make them more vulnerable to challenge. When agendas are published each member receives an email notification with a link which provides the agenda pack.

The Corporate Director pointed out that publishing agendas further away from the 5 clear working days would make it difficult because of the regularity of the council's committees, particularly with Planning, as this is on a monthly basis. There are occasions when late papers are published but this is avoided where possible, as late papers are not well received by the public or members.

In relation to non-formally constituted committees the 5 clear working days are not necessarily observed, but officers try to make sure they go out in a timely manner. The Corporate Director hoped that this provided reassurance to members but asked if they would let her know if this is not working properly.

Head of Internal Audit Shared Service

The Chairman informed the Committee that this was the last meeting that Andy Bromage, the Head of Internal Audit Shared Services would be attending as he was leaving the City Council.

On behalf of the Committee and the Council, the Chairman thanked him for his valuable contribution to this committee and audit in general over the years and wished him well for the future.

Duration of the meeting: 7.00p.m. to 7.52p.m.

Chairman at the meeting on
6th December 2023