



Audit and Governance Committee minutes

Minutes of the meeting of the Audit and Governance Committee held on Wednesday 24 March 2021 in MS Teams (remote), commencing at 10.00 am and concluding at 1.00 pm.

Members present

R Newcombe, G Peart, D Anthony, R Bagge, A Christensen, P Martin, R Sangster and R Stuchbury

Apologies

L Clarke OBE, M Smith and A Waite

Agenda Item

1 Minutes

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

2 Declarations of Interest

None.

3 Action log

The Treasure Management Strategy had been circulated to members as amended.

Resolved:

That the action log be noted.

4 2019/20 District Audit Fees update

Agenda item 6 was taken next on the agenda. The purpose of the report was to present an update (appendix 1) on the proposed increase in audit fees. Andrew Brittain from Ernest & Young LLP was in attendance at the meeting to speak to the report.

A summary of fees and the total proposed fee increases were contained within the table (1.5) in the covering report. The committee noted that the fees had increased quite considerably owing to a number of factors, which included:

- impacted timeline of delivery due to delays receiving two sets of district accounts;
- the need to reset base fees to reflect national discussions;

- the dissolution of the legacy Buckinghamshire authorities;
- the covid-19 pandemic; and
- additional risk work.

Members considered the increases and, whilst recognising the substantial workload around tying up the legacy district accounts, and the unique challenges experienced during the year, still felt that the totals were disproportionate as calculations demonstrated increases above 100%.

In response to the questions, members noted that:

- the PSAA would seek the views of the local authority on the fees in due course. The fees were not yet agreed.
- conversations between the PSAA and Buckinghamshire Council would be held as the next step in the process.
- EY had experienced staffing shortages in summer 2020, but that any potential impact of those shortages had been taken into account when calculating the fees.

The committee instructed the Section 151 Officer to vigorously contest the detail and totals of the fee increases requested when conversing with the PSAA in due course. The chairman asked that the outcome of the discussions be reported back to the committee (**Action: Richard Ambrose**).

Resolved:

the Section 151 Officer to contest the detail and totals of the audit fee increases requested for the legacy district councils, and to report the outcome of discussions on the increases with the PSAA to the Audit and Governance Committee.

5 Farnham Park Sports Field Trust - operations and financial position

The committee received a report on the operational and financial position of the Farnham Park Sports Field Trust, a charity which manages the land at The South Buckinghamshire Golf Course and Farnham Park Playing Fields. The report set out the plans and timetable for a full review of Trust operating arrangements, which were to be informed by recommendations arising from the Buckinghamshire-wide Leisure Facilities Strategy that was currently in development.

The following key points were highlighted:

- The charity benefitted from business rates relief.
- All members of staff were employed by Buckinghamshire Council.
- Facilities were to reopen from 29 March 2021.
- The Trust had operated at a net deficit for a number of years, with losses covered by the legacy district council.
- Measures had been taken to recover lost income via the government's loss support scheme.
- There was budget provision in budget to cover losses for 2021.
- Review work on the Trust will feed into the Leisure Facilities Strategy which

will look at future needs of operation for facilities in Bucks.

- South Bucks District Council had previously looked into upgrading the playing fields.
- The golf course and playing fields were seen as local amenities by residents.
- It was suggested that review work focus on the health opportunities as opposed to business opportunities.

Resolved:

To note the information provided on the operations and financial position of the Trust; and the plans for a strategic review of Trust arrangements, with recommendations later in the year.

6 2019/20 Buckinghamshire County Council Final Audit Report

Members received the final audit report for Buckinghamshire County Council (BCC) and Buckinghamshire Pension Fund for 2019/20. Iain Murray from Grant Thornton was in attendance at the meeting to speak to the report. Appendix A contained information on reports issued, planned and final proposed fees. Appendix B contained a council action plan; the chairman requested that an update on process against the planned actions be brought back to the June or July meeting of the Audit & Governance Committee. **(Action: Richard Ambrose).**

Resolved:

that the report be noted.

7 Value for money (VFM) arrangements

Members received a report on the new arrangements for assessing value for money relating to 2020/21. Iain Murray from Grant Thornton was in attendance to update on the new arrangements contained in appendix 1.

It was noted that there would be increased costs associated with implementing the new arrangements, and that government support will be made available to help with any associated costs. The exact support to be made available was unknown at present.

Resolved:

To note the new arrangements around assessing value for money for the 2020/21 financial year.

8 Adoption of new council accounting policies

Members received a report on new council accounting policies that would help to guide the council going forward.

Resolved:

to note and adopt the new accounting policies for the council.

Note 1: Councillor A Christensen left the meeting at 11.56.

9 Annual report to council

The report detailed the work of the Audit and Governance Committee which would be considered by full council at their next meeting. A report on the work of the committee is presented to full council on an annual basis, covering committee performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

Resolved:

To recommend the Annual Report to full council.

10 2020/21 Business Assurance Strategy update (including Audit Plan)

Members received a Business Assurance Strategy update for 2020/ 2021, including the Audit Plan, at appendix 1 to the report. The update included but was not limited to, internal audit, risk manager, and general assurance work that the team delivers. Members were advised that the plans were dynamic and fluid owing to covid-19, and new risks and priorities had been taken into account as the year had gone on. The following key points were highlighted:

- The team made good progress on audit work in quarters 3 and 4.
- 12 grant validation reviews had been carried out and completed.
- Deep dive activity had been carried out on grants specifically, and the team were able to provide assurance that grants were being spent in line with their terms and conditions.
- The Audit and Governance Committee would also receive the new Audit Plan at their next meeting in the new municipal year.
- The team were investigating potentially fraudulent business grants applications with the revenues and benefits team, and were taking 10 forward for prosecution. Reconciliation work was being undertaken with central government.
- A Housing Fraud Strategy was in development and would be brought to a future meeting of the Audit and Governance Committee.

Resolved:

To note the report.

11 2021/22 Internal Audit Plan

The report detailed the proposed approach for the 2021/22 Internal Audit planning process. It was noted that the year would begin with some of the carry forward work from 2020/ 2021 that had been deferred owing to the pandemic. Outputs of the deferred audits would be reported to the Audit and Governance Committee during 2021/ 2022.

Resolved:

To note the report.

12 Constitution Working Group update

Members received a paper on the work of the Constitution Working Group. Proposals for changes to the council's constitution were at appendix A. The following key points were highlighted:

- The constitution was worked on pre-unitary and it was always the intention to ensure an ongoing review process.
- Full council had previously passed a motion in relation to planning aspects which necessitated changes to the constitution.
- Proposed changes included a provision to enable town and parish councils to request a call-in to planning committee.
- The paper would also be considered by the Standards and General Purposes Committee, before being considered by full council.

Resolved:

1. to note the proposals for changes to the constitution.
2. that the constitutional changes, with any proposed amendments within the remit of the committee, are referred to the Standards and General Purposes Committee for recommendation to full council.

13 RIPA update

Members received a verbal update on the Regulation of Investigatory Powers Act (RIPA), specifically, the council's use of investigatory powers. The following key points were highlighted:

- Buckinghamshire Council has its first RIPA inspection summer 2020. The inspection was successful and the council was praised for its RIPA policy. Some suggestions were made with regards to implementing the policy, which had since been effected.
- There was a requirement to train officers in the policy so that they are well versed in the powers.
- An annual statistical return to the commissioner is required to show use of the powers. As at the end of January 2021, the council reported a nil return of use of powers to the commissioner.

Resolved:

To note the update.

14 Risk Management Group update

Members received an update on the Risk Management Group meeting 1 March

2021, which focussed on the key risks within the communities directorate.

It was also noted that the group had received an update on a key risk around recruiting qualified social care staff. It was reported that the risk continued to be managed and reviewed on regular basis, and that the group would be kept updated on that particular risk.

In response to a question, it was reported that risks relating to Ofsted, SEN and the closure of care homes were contained within the strategic risk register that the group considers regularly. It was noted that it was the remit of the Risk Management Group to consider risk registers, and not the Audit and Governance Committee.

Resolved:

To note the report.

15 Audit Committee Review of Effectiveness

Members received a report on the Audit and Governance review of effectiveness that had been carried out through consultation with members of the committee and officers who attended the meetings on a regular basis. A questionnaire had been provided to help to measure effectiveness against committee's terms of reference and the Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines, the results of which were contained within the report. A full review of the effectiveness of the Audit and Governance Committee would be scheduled for Quarter 4 of 2021/22.

Resolved:

To note the report.

16 Work programme

Resolved:

To note items for the future work programme

- Business Assurance Strategy 2021/ 2022.
- Internal Audit Plan 202/ 2022.
- Contract breaches and waivers.
- Accounts.
- Fraud plan.

It was the final meeting of the Audit and Governance Committee for the municipal year. The chairman expressed his thanks to members and officers for their hard work to date.