



Buckinghamshire Council

Audit and Governance Committee

Minutes

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON TUESDAY 27 SEPTEMBER 2022 IN THE OCULUS, BUCKINGHAMSHIRE COUNCIL, GATEHOUSE ROAD, AYLESBURY HP19 8FF, COMMENCING AT 10.00 AM AND CONCLUDING AT 1.00 PM

MEMBERS PRESENT

R Newcombe (Chairman), L Clarke OBE (Vice-Chairman), A Christensen, M Dormer, D Goss, M Hussain, S Rouse and N Thomas

Agenda Item

1 APOLOGIES

Apologies had been received from Councillors D Anthony, R Carington, T Dixon, and C Etholen.

Mr David Skinner, Service Director for Finance and Section 151 Officer was welcomed to the Committee having taken over the Section 151 Officer role from the former Service Director for Corporate Finance. Mr Skinner gave a brief overview of his experience and background in local government finance and added that he looked forward to working with the Committee.

2 DECLARATIONS OF INTEREST

Councillor N Thomas declared a personal and prejudicial interest in items 5 and 6, Farnham Park Sports Fields Charity Annual Report and Financial Statements 2021/22 and Higginson Park Trust Fund Accounts 2021/22 respectively, as a Member of the Leisure Board which discharged the Council's responsibilities as corporate Trustee for the two Trusts whose responsibilities included the preparation of annual accounts and budgets. Councillor Thomas would leave the meeting room whilst those items were discussed.

Councillor S Rouse declared a personal interest in item 8, 2022/23 Business Assurance Strategy Update (including Internal Audit Plan) as Chairman of the Buckinghamshire and Milton Keynes Fire Authority.

3 MINUTES

Updates were provided on a number of actions from the previous meeting. The Chief Auditor would present the new team structure at the next Committee meeting in November. The action on page 5 of the reports pack to circulate a table to support the treasury management annual report remained outstanding and would be followed up. Lastly, the treasury management training session would now take place prior to or immediately following the next meeting of the Committee in November.

ACTION: L Ashton to circulate invite for training session pre/post the Committee meeting on 23 November.

RESOLVED:

That the minutes of the meeting held on 28 July 2022 be approved as a correct record.

4 BUCKINGHAMSHIRE COUNCIL STATEMENT OF ACCOUNTS 2020/21

The Committee received a verbal update on the latest situation with the Buckinghamshire Council Statement of Accounts 2020/2021. Mr David Skinner, Service Director for Finance and Section 151 Officer and Mr Iain Murray, Grant Thornton (External Auditors) attended to present the update. Key points raised in discussion included:

- It was confirmed that the Statement of Accounts had been submitted to Grant Thornton on 23 September. The Committee and the Section 151 Officer placed on record their thanks to Ms Hasina Shah, Head of Finance systems and her team for their work and progress made over the past month. The Council had been successful in appointing to the Chief Accountant position who would take up post in November and assist in providing ongoing focus and ensuring that there was sufficient capacity to deliver accounts on time moving forward. The 2020/21 accounts were now subject to review by Grant Thornton, whilst the Council team commenced work on preparing the 2021/22 Statement of Accounts for submission.
- At the time of this meeting, Grant Thornton had only had one working day to review the accounts, however Mr Murray confirmed that many of the amendments made were as expected whilst there were further areas where there had been movement which would require discussion with officers. It was noted that much of the transactional audit work had previously been completed.
- The national issue affecting all upper tier authorities on infrastructure accounting remained a significant challenge as there now needed to be a Statutory Instrument implemented to deal with the issue. As national events had led to certain prioritisation for the Government, the legislation timetable to pass the Statutory Instrument had slipped and was now not expected to be passed until the end of November at the earliest. Given that the previous target date was June/July, there was caution around the November expectation.
- Members were advised that the majority of local authorities were in a similar position with respect to the infrastructure accounting issues, although some authorities had signed their accounts subject to a qualified opinion, whilst a minority had significant detail to the accounting level of infrastructure assets which allowed them to progress. The professional view and advice from the Section 151 Officer was to wait for the Statutory Instrument to be passed rather than accept a qualification. This was also the advice from the Society of County Treasurers.
- Mr Murray would be leaving his role at Grant Thornton in November and advised that it would be the incoming partner who would sign the accounts off. Reassurance was given to the Committee that there was no reason to believe that the handover would lead to any further unexpected delay. The Committee thanked Mr Murray for his work with the Council, and previously the County Council and wished him luck for his new position at CIPFA.
- At the point Grant Thornton were satisfied with the accounts, they would be brought before this Committee to approve, and for authority to be delegated to the Chairman and Section 151 Officer to sign the accounts, provided that there was nothing of significant concern related to the infrastructure assets accounting issues.

RESOLVED:

That the Buckinghamshire Council Statement of Accounts 2020/21 verbal update be noted.

4A TREASURY MANAGEMENT UPDATE

The Chairman agreed to the addition of an urgent agenda item in respect of the Council's Treasury Management Strategy. At the meeting of Full Council held on 21 September, Members raised concern around Council loans to Thurrock Council. A Commissioner and Best Value Inspector had been appointed at Thurrock Council following the authority having experienced significant financial difficulties. The provisions within the Council's existing Treasury Management Strategy included where a local authority the Council had an investment in was subsequently issued a Section 114 notice or capitalisation directive that it would be reported to the Audit and Governance Committee at the earliest opportunity. Whilst this case was slightly different in that it was not a Section 114 notice, the Chairman requested an update be provided.

The Section 151 Officer reported that the loan had been issued to Thurrock in January 2022 and was due to mature in January 2023. The loan was compliant with the Council's Treasury Management Strategy and it was advised that no local authority had previously defaulted on a loan repayment. Provision within the Local Government Act in terms of loan recovery noted that a charge could be placed on all future revenues of the borrowing authority to ensure the lending authority received its funds.

The Committee was advised that the Treasury Management Strategy for 2023/24 would be amended to ensure the broader range of Government interventions for local authorities was covered. The draft would be considered by the Committee at its meeting on 1 February 2023 prior to going on to Full Council for approval. If there were further financial issues experienced by any authority the Council held an investment in this would be brought to the first available Audit and Governance Committee meeting for consideration and the Chairman and Vice-Chairman would be made aware of the issue in the interim period.

RESOLVED:

That the Treasury Management Strategy be amended, so that in addition to local authorities' subject to a Section 114 notice or those having been granted permissions to use capital to help with their revenue budgets, any other instances of Government intervention also be referred to, furthermore, any other untoward financial event experienced by an authority who the Council held an investment in would be reported to this Committee.

5 FARNHAM PARK SPORTS FIELDS CHARITY ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/22

Note 1: Councillor N Thomas left the meeting room for items 5 and 6 having declared an interest.

The Committee considered a report which contained the draft Annual Report and the Financial Statements for the year ended 31 March 2022. These had been prepared in accordance with the requirements of the Charities Act 2011 and had adopted the provisions of Accounting and Reporting by charities Statement of Recommended Practice and Financial Reporting Standards. The accounts had been audited by Azets Audit Services. Ms Sophie Payne, Service Director for Culture, Sport and Leisure and Ms Fiorella Mugari, Head of Finance for Communities attended to present the update.

The Council as sole trustee had introduced enhanced governance arrangements which included oversight on Trust activities by the Leisure Board and reports to the Corporate Management Team board meetings.

The net worth of Farnham Park Sports Field Charity had increased by £3k to £480k in 2022. The net operating surplus for the year was £3k compared to a net operating loss of £202k in 2020/21. The main reason for the movement was the introduction of management fee income of £231k payable by Buckinghamshire Council to manage and operate the land known as South Buckinghamshire Golf Course along with Farnham Park Playing Fields.

Key points raised during discussion included:

- The Chairman noted that during the previous municipal year, the Committee had raised concern around the Section 151 Officer signing the accounts for the Farnham Park Sports Field Charity and Higginson Park Trust respectively, in both their capacity on behalf of the Trustee and as the Council's Section 151 Officer as it was felt that this placed the Section 151 Officer in an invidious position. Whilst there was no legal conflict, the Committee requested that this not happen again, however with the change to the Council's Section 151 Officer the same situation had happened with the 2021/22 accounts. The Committee requested that this situation was remedied for the 2022/23 accounts and beyond.

ACTION: The Section 151 Officer to ensure that the 2022/23 accounts, and subsequent years were signed by a separate officer on behalf of the Council as a Trustee.

- The Chairman welcomed the improved financial positions of Farnham Park Sports Field Charity and the Higginson Park Trust Fund following on from the significant impact the Covid pandemic had on both Trusts.
- The Committee was advised of the two sites in Farnham Park and Farnham Royal which consisted of the South Buckinghamshire Golf course and the playing fields. The mix of facilities at the playing fields included well used football pitches and the national headquarters of Baseball/ Softball UK whilst there was also a rugby club and martial arts club. The staffing team that ran the sites were Council employees whose salaries were recharged to the Trust.
- Members were reminded that 2020/21 had been a difficult year across the leisure industry with closures or centres operating with significant restrictions. 2021/22 reflected an improved position in line with the Government road map of gradual reopening. The Trust had continued some of its previous measures to mitigate for income loss such as holding vacancies. The Council had also made provision for a sum to cover the running costs of the playing fields to recognise the importance they had on improving residents' health and wellbeing and some investment in to the playing pitches had been made to increase future usage. Nearly 37,000 rounds of golf had been played during the financial year, 15,000 participants took part in Baseball/Softball UK and 9,000 had been involved in football at the site.
- There was now a service level agreement in place between the Council and the Trust to formalise the arrangements and specifics of grounds maintenance. There continued to be some impact of Covid, particularly within bar and catering where recruitment had been challenging and customer confidence was still returning.
- Inflation and energy costs were a key concern this year, figures were being calculated on the latest Government advice, and mitigations being made included holding a post vacant, increasing prices in line with inflation, Baseball/Softball UK investing to develop their facilities and partnerships with the likes of UK Padel being explored.
- Clarity was provided on the two internal control areas which were amber within the audit. Members were advised that the fixed asset register was reviewed annually and that a decision to demolish or refurbish those buildings in a poor state would be linked in to the Leisure Strategy which was due to be completed in early 2023. It may be that within the Strategy, Farnham Park was identified as a potential site for investment. In relation to the lack of tracking on flexi points Members were informed that a report could now be run for any member to inform them of their points balance and this fed

through to the monthly outturn. It was being explored with the service provider whether the points balance could be added to receipts each time a member played.

- It was noted that on the Opening balances internal control, as part of the system changeover, balances had not matched with the accounts. The balances would be agreed as part of the process moving forward and as these accounts were signed off.

RESOLVED:

- 1. That the audit progress and findings report from Azets (Appendix 2) be noted.**
- 2. That the Letter of Representation (Appendix 3) be approved.**
- 3. That the Annual Report and Financial Statement for 2021/22 be approved.**

6 HIGGINSON PARK TRUST FUND ACCOUNTS 2021/22

The Committee considered a report which contained the draft Annual Report and the Financial Statements for the year ended 31 March 2022. These had been prepared in accordance with the requirements of the Charities Act 2011 and had adopted the provisions of Accounting and Reporting by Charities Statement of Recommended Practice and Financial Reporting Standards. The accounts had been audited by Seymour Taylor Audit Limited. Ms Sophie Payne, Service Director for Culture, Sport and Leisure and Ms Fiorella Mugari, Head of Finance for Communities attended to present the update.

The total net worth of Higginson Park Charity had increased by £202k to £7,430k in 2022. This was mainly due to increased valuation of property resulting in unrealised gains of £287k, offset by the net operating loss of £85k (after allowing for depreciation costs of £191k on the tangible fixed assets) – in comparison with a 269k net operating loss in 2020/21 (£190k depreciation costs). Net operating losses were significantly lower in 2021/22 because of increased operational income due to lifting of Covid 19 restrictions, which enabled a wider range of activities to resume, plus one-off income of £105k from the Government's Support Scheme relating to losses incurred in 2020/21.

There was no management fee income contribution from Places for People Leisure to the Trust during 2021/22 due to the ongoing COVID-related recovery of leisure (with restrictions on indoor leisure continuing in the initial months of the year), but this management fee income had started to return during the 2022/23 financial year.

Key points raised during discussion included:

- 2021/22 had very much been a year of recovery, particularly for the leisure facilities which were gradually re-opened to customers. There had been a strong return of events during the summer period and a good level of car parking income generated.
- One commercial tenant had entered administration and the process of marketing the vacant site had commenced.
- Funds had been secured to replace a failed piece of equipment in the play area.
- It was queried whether income was received from moorings on the Thames and Members were advised that income was received and collected through the Places for People contract. Officers held monthly meetings to assess the details of leases and various sources of incomes. One service improvement being explored was to automate the collection of mooring income using the RingGo provider.
- It was clarified that the annual maintenance contract was part of the wider grounds contract for the Wycombe area and those costs were recharged to the Trust.
- A Member asked for further detail on the significant findings from the audit and the Committee heard that there was nothing to note in respect of revenue recognition and

management override; it had previously been requested for property valuations to be sent direct to the auditors, however this had not happened again in 2021/22, efforts would be made to ensure this happened for the 2022/23 financial year; for charitable expenditure it was agreed that invoices recharged from the Council were required to be maintained and this would happen for the 2022/23 financial year; and lastly the charity had set up its own accounting system which should be up and running during the course of this financial year and a separate bank account was now in place. The account was linked to the Council's accountancy system and transactions were being processed through the system. It was confirmed that the issue of the charity not having its own bank account had been picked up during the previous year's audit, although due to Covid there had been delays in the application process at that time

RESOLVED:

- 1. That the audit progress and findings report from Seymour Taylor (Appendix 2) be noted.**
- 2. That the Letter of Representation (Appendix 3) be approved.**
- 3. That the Annual Report and Financial Statement for 2021/22 be approved.**

7 ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR 2021/22

Note 2: Councillor N Thomas returned to the meeting

The Committee considered a report which detailed the Chief Internal Auditor's annual assurance opinion on the adequacy and effectiveness of the Council's internal control environment, risk management and corporate governance arrangements in place during the year. The overall 'reasonable' opinion was based on an objective assessment of the framework of governance, risk management and control.

The annual internal audit opinion contributed to the completion of the Annual Governance Statement (AGS). It was specifically scheduled to be considered as part of the Council's annual review of governance and internal control.

The Committee thanked the team for the comprehensive report and acknowledged the wide scope and large amount of work undertaken, particularly in light of resource challenges and the wider implementation of a new Council. Members were taken through the details of the report and the Chief Auditor summarised how the overall opinion of 'reasonable' assurance had been reached. The following key points were highlighted during discussion:

- Members queried how the opinion could reach 'substantial' in the future and heard that it was very difficult to move beyond 'reasonable' due to the limited scope of work undertaken within the resources available. Due to the limited resources, there was a need to focus on the key risk areas which meant that assurance could only be provided on those areas which had been reviewed.
- A Member highlighted the 'limited' assurance opinion of the project governance audit undertaken within the Planning, Growth and Sustainability directorate and it was confirmed that the directorate would be asked to discuss this in detail to the Risk Management Group at an upcoming meeting, particularly as large projects, both planned and underway would be affected by rising energy costs and inflation. Lessons had been learnt from the South East Aylesbury Link Road (SEALR) project, and the team had focused a review on the Strategic Transport and Infrastructure service to evaluate a sample of projects and review how they were managed at a granular level, with recommendations made for moving forward. This would feed in to the wider directorate

framework.

ACTION: Members of the Risk Management Group to be reminded to raise the issue at their next meeting with the Planning, Growth and Sustainability directorate.

- In relation to contract management, Members noted that there was reference to procurement and the supplier management group which provided the framework of compliance and best practice, and recognised that that service areas could not be forced to comply. The Committee was advised that the procurement team monitored compliance through the contract management application which the team was actively encouraging appropriate use of and provided regular training on. Non-compliance was escalated through the appropriate channels. Members highlighted that whilst service areas could not be 'forced' to comply, this was a staff performance issue and should be addressed through management supervision. It was confirmed that if a staff member deliberately chose not to comply for a prolonged period that there were HR policies to address the behaviour. It was agreed that an update on compliance percentages would be presented at a future meeting of the Risk Management Group.

ACTION: Members of the Risk Management Group to be reminded to raise the issue at their next meeting where procurement was due to be considered.

- There was a discrepancy in the number of outstanding actions which related to schools and it was confirmed that 29 of 34 actions was the correct figure.
- Members heard that linked to the current financial climate, the risk of fraud had increased and there was a large amount of work ongoing to raise awareness of the reporting process. A significant amount of post assurance work had been undertaken on covid grant payments which had led to investigations. The service review had recognised the increased referrals and there was resource being allocated to additional fraud officer roles to carry out investigations. The whistleblowing process was said to be working well and the team worked closely with colleagues from Legal and HR. The updated policy would be presented to the Committee at its meeting in November.
- In relation to the Work Smart hybrid working arrangements, the Committee was advised that this had impacted the time taken to complete internal audits. This in particular, affected services such as Adults and Childrens where in previous years an auditor from Mazars would sit alongside someone from the team to go through case files which had been made more difficult as people spent more time away from the office. Moving forward, the team was planning to undertake time intensive audits internally as the systems were known and there were better relationships. It was highlighted that the hybrid arrangements with the fire authority had been positive and worked well. The team would be looking at the wider Better Buckinghamshire programme and whether it was delivering the benefits and savings as expected, this piece of assurance work was planned to be undertaken in close liaison with the Service Director for Major Projects and would be presented to the Committee when completed.
- There was a discussion on classifications and how those at the lower end of 'reasonable' could be given more focus than those at the upper end. A pragmatic approach was undertaken, with the example given of where a system had good controls in place and was stable, this would not be revisited again for a while. CIPFA best practice was to have the four classifications, which was why there were no sub classifications included. The team would give thought as to how to report this in a clearer way moving forward, particularly for those areas on the verge of 'limited' assurance.
- Members were advised that audit and assurance activity was being planned for the new Highways contract due to go live in April 2023. The Risk Management Group would consider this at an upcoming meeting.

ACTION: Members of the Risk Management Group to be reminded to raise the issue at their next meeting with the Communities directorate.

- An update was requested on the deferred Adult Social Care audit on 'Interface - Hospital

Discharges and Social Care' and the Committee was advised that due to the change in legislation, the impending process changes resulting from this and the area of the service going through a review, discussions were ongoing with the Service Director around when to undertake the assurance work. It was acknowledged that early involvement from the assurance team was important and discussions would continue as to how the team could look at project management, and proposed changes at an early stage. It was noted that there was good engagement from the service area.

- The Social Care – Care Leavers audit which had been cancelled was raised, and Members were informed that this was being picked up as part of the review on the work undertaken on progress against the Ofsted inspection visit and finding. This would be reported at November's Risk Management Group meeting.
- A Member raised concern over the large number of deferrals, at the request of SLT, an issue which had been raised at previous meetings of this Committee. It was confirmed that there was a more robust challenge system being put in place around this which should become evident this year.

RESOLVED:

That the Chief Auditor's Annual Internal Audit Report for 2021/22 and the overall 'reasonable' opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control environment for 2021/22 be noted.

Note 3: Councillor A Christensen arrived at 10.54 a.m.

8 BUSINESS ASSURANCE STRATEGY UPDATE 2022/23

The Committee considered a report which provided an update on the Business Assurance Strategy 2022/23, and included progress against the Internal Audit Plan. The 2022/23 Internal Audit Plan had been reviewed to identify the key audit activities to be delivered considering the priorities within the Directorates and working with consideration of the service reviews which were in progress.

The Committee was advised that the new team structure would be published in November and recruitment processes were underway. The Business Continuity Management function would become part of the structure, and an update on this area would be presented to Members in November.

During discussion, Members raised queries on SEND, overall project governance and lessons learnt from major projects. In terms of the SEND payment processes, the Committee was informed that this would be reported to both the Risk Management Group and to this Committee at a future meeting. This work was underway and recommendations were being formed as this was a significant risk area within Children's Services. The Chief Auditor would be meeting with the new Corporate Director in the coming weeks to discuss risks in this area. There was also concern around whether it was the right approach to disaggregate the components of the emerging concerns from the Ofsted report and the payments process in respect of SEND. Members heard that by separating the processes, recommendations for improvements could be made more efficiently. For example, in reviewing the work of SEND co-ordinators on case files, and the path to management prior to reviewing the payments process meant that feedback could be given on those first stages at an earlier time. The Committee was advised that an assurance lead was being recruited who would review assurance mapping and assist with the overall assurance of particular services. There would be support provided from Price Waterhouse Coopers in setting up a wider assurance framework which would become a useful tool for the organisation and feed in to the Annual Governance Statement.

In respect of the findings coming out from the various large projects which had been looked at for business assurance purposes, the Committee was advised that lessons had been learnt and information was being shared. For example, the robustness of the waste contract following the waste collection issues in the south of the county was taken in to consideration when developing the new highways contract. The SEALR project was also highlighted as a project where learnings had fed in to a larger governance piece of work to ensure that similar issues did not occur in other projects. Where issues were identified in schools, these were shared through schools' web and bursar briefings to educate others.

It was queried whether staff required further training on the wider impact of their work and its effect on end to end processes. The Committee heard that a number of services had process maps in place for everyone to understand the role they played, although this was not consistent across the Council. This had been addressed in part by the service improvement team who reviewed processes during service reviews and this issue would link in with the work due to take place to look at the Better Buckinghamshire programme and whether processes were working, were more efficient and realised savings.

RESOLVED:

That the report be noted.

9 DRAFT ANNUAL GOVERNANCE STATEMENT 2021/22

The Committee considered a report which contained the draft Annual Governance Statement (AGS) for 2021/22. This was the second AGS for Buckinghamshire Council and related to the second year of the Council's operation as a unitary authority. Recovery from the Covid-19 pandemic was a key feature of the year. Mr Glenn Watson, Principal Governance Officer attended to present the report.

The CIPFA guidance advised that an AGS should contain an Opinion as to the effectiveness of the governance arrangements, given by the Chief Executive and Leader of the Council. The draft AGS contained such an Opinion for 2021/22 based on the assurances contained within it:

"the Council's governance arrangements in 2021/22 were sound and provide a robust and effective platform for achieving the Council's priorities and challenges in 2022/23. It is our opinion that this has remained the case despite the very real challenges of providing services during a period of recovery from the COVID-19 pandemic."

The draft AGS was formed taking in to consideration feedback from Business Managers and Directorate Leadership Teams; Members of this Committee and the Corporate Management Team. The draft also reflected the conclusions reached in various annual, and other reports received by Council, Cabinet and Committees which related to aspects of governance during 2021/22. The report also reflected the work of this Committee in overseeing governance.

Key points raised during discussion included:

- Members welcomed that there would be a change in the presentation format to the AGS from next year.
- A Member highlighted that there were six Select Committees, rather than the four noted in the draft AGS and raised that there was a low level of detail included about the work of the Council's Select Committees in holding decision makers to account. It was further suggested that more emphasis be included on the different roles of committees. It was also raised that the reference to the timeliness of code of conduct processes and the nature of the complaints received and their outcomes were on the work programme of the Standards and General Purposes Committee, rather than the Audit and Governance

Committee as noted in the draft AGS.

- A Member recognised that the Senior Leadership Team was referenced in the covering report however was not referred to in the AGS itself. It was raised that thought should be given to those residents who were not IT conversant and how they would be able to view the final version of the AGS once published. Further, a Member suggested that reference be made to GDPR in addition to the Council's complaints, whistleblowing, anti-fraud and corruption and anti-money laundering policies.
- Concern was raised that the AGS presented a very positive statement and did not pick up on lessons learnt throughout the year and areas for improvement. A Member gave an example of the Risk Management Group having commented at times in the year, that directorates often operated at a greater level of risk than Members were comfortable with.
- A Member noted that the statement referring to Community Boards, which read very positively did not necessarily reflect the views of all stakeholders involved with the Boards and he raised that a number of Town and Parish Councils were not entirely satisfied with their respective Boards operation.
- A Member commented that with the exception of Ofsted, he believed that CMT could further reflect on the priority actions and provide more substantial improvements within the document. It was also highlighted that whilst the SEND Ofsted inspection report was released in April, the majority of the work had been undertaken throughout 2021/22 and this had not been reflected within the AGS.
- The Chairman reminded Members that at the previous meeting of this Committee, it was agreed that Mr Watson would write to Members to seek their input on the draft AGS, to which a limited number of responses from Members were received, although it was accepted that this was over the summer holiday period. Members were invited to write or speak to Mr Watson before close of play on 14 October with their comments. The draft AGS would then be brought back before Members at the Committee meeting in November for approval. For future years it was requested that Members of the Committee had earlier sight of the draft to allow additional time for comments.

ACTION: Committee Members to contact Mr Watson individually with comments on the draft AGS prior to close of play on 14 October 2022.

RESOLVED:

That the draft Annual Governance Statement 2021/22 be noted and brought back to the Committee on 23 November for approval.

10 RISK MANAGEMENT GROUP UPDATE

The Committee received a report which provided an update on the Risk Management Group (RMG) meeting held on 5 September 2022. The Deputy Chief Executive (DCE) attended the meeting along with the Service Directors for Partnerships, Policy and Communications, Legal and Democratic Services, Major Projects and Service Improvement. The Head of Finance for the DCE directorate was also in attendance. Risks were discussed in detail, as were the mitigating actions which were challenged by the Group. Members noted the key risk themes that came out of each of the meetings as detailed in the report.

The Group considered the latest version of the Fraud Risk Register and were advised that it was broadly similar to the previous year. The risks had been reviewed and actions updated by the Fraud Team, and this will be subject to a "deep dive" review once the new Audit, Assurance and Fraud Manager had been appointed.

The Group also considered the latest version of the Strategic Risk Register which had been discussed by CMT the previous week. The cost of living crisis and energy price rises were

highlighted and work was ongoing with CMT to scope the level of risks this posed.

A “horizon scanning” paper was presented to RMG which included new and emerging risks for discussion, including displaced persons, inflation and the introduction of care costs cap. A further meeting was scheduled prior to the next meeting of this Committee, at which a further update would be provided.

RESOLVED:

That the report be noted.

11 WORK PROGRAMME

The Committee considered the work programme which detailed the items scheduled for the November meeting. It was hoped that the Business Continuity Management Strategy would also be added to the November meeting, along with the Treasury Management training session. As noted under item 9, the draft Annual Governance Statement would also be presented at the November meeting.

The Chief Auditor was reviewing the forward plan to assess what would be presented at the February, March and May meetings respectively.

Members discussed having a contingency plan, should the 2021/22 Accounts not be ready for the November meeting and agreed to seek an early indication of whether this was realistic and if not, arrange a contingency date in either December or January.

ACTION: Ms M Gibb to liaise with Mr D Skinner around Grant Thornton’s early indication of the work required to sign off the 2020/21 accounts.

The Chairman suggested that the Constitution should be added to the items for the February meeting.

RESOLVED:

That the latest Work Programme be noted.

12 ACTION LOG

The Committee considered the latest action log as attached to the agenda pack and agreed that Action 4 – Treasury Management Member Refresh, had been completed. In addition, Action 1 – Business Continuity Management, had now been completed.

Action 5 – Draft Annual Governance Statement, would remain ongoing whilst revisions were made to the draft, prior to it being presented at the next Committee meeting in November.

RESOLVED:

That the action log be noted.

13 EXCLUSION OF THE PUBLIC

RESOLVED:

That pursuant to Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting during consideration of Minutes No 14, 15, 16 and 17, on the grounds that they involved the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act as defined as follows:

Minute 14 – Confidential Minutes of the Audit and Governance Committee held on 28 July 2022

Minute 15 – Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report 2022/23

Minute 16 – Annual Report of the Chief Internal Auditor – Summary of Completed Audits and Audit Action Tracker 2021/22

Minute 17 – Action Log (confidential)

The items include Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Paragraph 3, Part 1 of Schedule 12A, Local Government Act 1972) (The need to maintain the exemptions outweighs the public interest in disclosure, because disclosure could prejudice the Council's position in any future process or negotiations).

14 CONFIDENTIAL MINUTES

RESOLVED:

That the confidential minutes of the meeting held on 28 July 2022 be approved as a correct record.

15 BUSINESS ASSURANCE STRATEGY UPDATE: COMPLETED AUDITS AND AUDIT ACTIONS SUMMARY REPORT 2022/23

This item was not required.

16 ANNUAL REPORT OF THE CHIEF INTERNAL AUDITOR - SUMMARY OF COMPLETED AUDITS AND AUDIT ACTION TRACKER 2021/22

The Committee considered the confidential Annual report of the Chief Auditor which provided an overview of the internal audits that had been completed and detailed the progress against the audit management actions by each directorate.

RESOLVED:

That the report be noted.

17 ACTION LOG (CONFIDENTIAL)

The Committee considered the confidential action log and

RESOLVED:

That the current Action Log (confidential) be noted.