

Attendance

Members of the Audit and Risk Committee

Cllr Alan Butt (Chair)
Cllr Jonathan Yardley (Vice-Chair)
Cllr Mary Bateman
Cllr Philip Bateman MBE
Cllr Craig Collingswood
Cllr Roger Lawrence
Cllr Barbara McGarrity QN
Cllr Lynne Moran
Mike Ager (Independent Member)

Employees

Ian Cotterill	Audit Business Partner
Peter Farrow	Head of Audit
Jas Kaur	Democratic Service Manager (Host)
Claire Nye	Director of Finance
David Pattison	Director of Governance
Hayley Reid	Senior Auditor
Kirsty Tuffin	Democratic Services Officer
Mark Wilkes	Audit Business Partner

External Auditors, Grant Thornton

Mark Stocks

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
Apologies for absence were received from John Humphries, Independent Member.
- 2 Declaration of interests**
There were no declarations of interest.
- 3 Minutes of the previous meeting**
That the minutes of the previous meeting held on 23 March 2020 be approved as a correct record.

4 **Matters arising**

Regarding item 7, Peter Farrow advised the Committee that the amount of receipts retained by the Council from for Right to Buy was 30%.

In regard to item 6, the Committee were advised that the draft accounts would be circulated to Members. It was agreed that a special meeting/workshop be arranged to discuss the draft accounts prior to the final version.

In regard to item 8, the Committee were advised that the budget for Gorsbrooke Road, Transit Road, had yet to be finalised but an update would be presented to a future Committee. Both recycling centres had opened and regular data on fly tipping had been provided in the regular Councillor briefing circulated by David Pattison.

Resolved:

1. That it be agreed that the draft annual accounts would be circulated to Members.
2. That it be agreed that a special meeting/workshop be arranged to go through the draft accounts prior to the final version be presented to committee for approval.
3. That it be agreed that an update on Gorsbrooke Road, Transit Road, be presented to Committee.

5 **External Audit Plan Addendum**

Mark Stocks, External Auditor, presented an update report on the planned scope and timing of the statutory audit of the Council as reported in their Audit Plan dated 23 March 2020.

The committee were advised that employees at Grant Thornton had been working from home due to the pandemic but had no concerns regarding completing the audit. While Covid-19 had significant impacts upon both Grant Thornton and Councils the audit would be completed.

Resolved:

1. That the External Audit Plan Addendum update provided by Grant Thornton be noted.

6 **Covid-19 Risk Register and Strategic Risk Register**

Hayley Reid, Regulatory Governance Manager, presented the update on the Strategic Risk Register and a Covid-19 Risk Register.

The Committee were advised that since the Strategic Risk Register was last presented in March 2020, Covid-19 had created new risks which had been added to a Covid-19 Risk Register and the Strategic Risk Register had also been updated to reflect the impact of Covid-19.

Following queries on the risk level for Risk 30 of the Strategic Risk Register, the Committee were advised that a Pre-Construction Services Delivery Agreement had been entered into for Civic Halls and that the final agreement would be signed shortly, work had been halted following the Covid 19 pandemic as a result of health and safety concerns.

It was agreed that Hayley Reid would continue to liaise with the risk owners for Covid-19 Risk 16 - Education Provision to ensure that the risk score and mitigating actions were up to date. An update would be provided to the Committee, at the next meeting on 29 July 2020.

Resolved:

1. That the Council's Covid-19 risk register which detailed the risks faced by the Council as a result of the Covid-19 pandemic, as at Appendix 1 be noted.
2. That the latest summary of the Council's Strategic Risk Register which has been updated to reflect the impacts of the Covid-19 pandemic as at Appendix 2 be noted.
3. That it be agreed that Hayley Reid would correspond with the risk owners for Covid-19 Risk 16 - Education Provision to ensure that the risk score and mitigating actions were up to date.

7 **Annual Governance Statement**

David Pattison, Director of Governance, presented the report on the Annual Governance Statement for the year 2019-2020. The Council are required under Regulation 6 of the Accounts and Audit Regulations 2015, to produce an Annual Governance Statement to be included in the annual statement of accounts, signed by the Leader of the Council and the Chief Executive.

The Committee were advised that there had been good governance in place during the year, and that the statement incorporates the impact of Covid-19. The Council had ensured that a clear audit trail had been conducted throughout the response to Covid-19. A number of questions were asked about the Civic Halls and these were addressed, and further information was offered if sought by the Committee members.

Resolved:

1. That the comments on the contents of the Council's Annual Governance Statement for 2019-2020 be noted.

8 **Annual Internal Audit Report 2019-2020**

Peter Farrow, Head of Audit, presented the report on the annual internal audit opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control processes.

The Committee were advised that no limited assurance reports had been issued since the Committee last met on 23 March 2020. Four limited assurance reports had been issued throughout the year where directors had attended Audit and Risk Committee to discuss. A small number of audits had been underway or not yet started had to be put on hold as a result of Covid-19, but the aim was to complete these as and where appropriate over the coming months. It was agreed that Peter Farrow provide the external auditors with an update position statement on work completed on the key financial systems work.

Peter Farrow advised that further details would be provided on Lawnswood Campus at a later meeting as issues were still ongoing. It was agreed that training options for Modern Day Slavery would be looked into and the Black Lives Matter campaign be incorporated where appropriate.

Resolved:

1. That the contents of the Annual Internal Audit Report and the overall opinion below be noted:
“based on the work undertaken during the year, the implementation by management of the recommendations made and the assurance made available to the Council by other providers as well as directly by Internal Audit, Internal Audit can provide reasonable assurance that the Council has adequate and effective governance, risk management and internal control processes”.
2. That it be agreed that Peter Farrow provide the external auditors with an update position statement on work both completed and outstanding on the key financial systems.
3. That it be agreed that further details would be provided on Lawnswood Campus at a later Committee meeting.
4. That it be agreed that training options for Modern Day Slavery would be looked into and the Black Lives Matter campaign be incorporated.

9 **Internal Audit and the Impact of Covid-19**

Peter Farrow, Head of Audit, presented the report on how the Council’s Internal Audit function had reacted to the challenge brought by Covid-19.

The Committee were advised that the original plan audit plan would be revisited as it was prepared prior to the impact of Covid-19 and that the Committee would be kept up to date throughout the year.

The Chair gave thanks to colleagues in the audit team that had been redeployed who had helped keep the Council and the City running.

Resolved:

1. That the impact of Covid-19 on the operations of the internal audit team be noted.

10 **CIPFA Audit Committee Update**

Peter Farrow, Head of Audit, presented the latest CIPFA updates.

The Committee were advised that training would be conducted internally wherever possible in order keep the cost of any training low but CIPFA could be used should a need be identified.

Resolved:

1. That the contents of the latest CIPFA Audit Committee update be noted.

11 **Payment Transparency**

Peter Farrow, Head of Audit, presented the report on the Council’s current position with regards to the publication of all its expenditure.

The Committee were advised that no armchair auditor requests had been received in the last quarter.

Resolved:

1. That the Council’s current position with regards to the publication of all its expenditure be noted.

12

Counter Fraud Update

Mark Wilkes, Audit Business Partner, presented the report on n current counter fraud activities undertaken by Audit Services.

The Committee were advised that the fighting fraud and corruption locally strategy as per appendix 2, had been updated since the last edition. The council policy had already incorporated most the recommended strategy within their practices. The council's practices would be reviewed against the checklist within the strategy and an update would be provided on any initiatives put in place as a result of this. Checks for fraud were being conducted on applications received for grants using the Governments spotlight system and Experian.

Following concerns of subletting, the Committee were advised that these cases would continue to be investigated during Covid-19 but it had placed limitations on how they could progress, and once restrictions were lifted areas such as conducting interviews would recommence.

Resolved:

1. That the contents of the latest Audit Services Counter Fraud Update be noted.
2. That it be agreed that update would be provided on any initiatives put in place as a result of a review on the Council's practices against the checklist provided in the fighting fraud and corruption locally strategy as per appendix 2.