

## **AUDIT AND STANDARDS COMMITTEE**

Monday, 26th July, 2021  
Time of Commencement: 7.00 pm

<b>Present:</b>	Councillor Paul Waring (Chair)		
Councillors:	Barry Panter Ken Owen	Mark Holland Gill Williams	Sarah Pickup
Officers:	Sarah Wilkes Dave Adams  Denise French  Simon Sowerby  Craig Turner John Benbow	Head of Finance / S151 Officer Executive Director, Operational Services Democratic Services Team Leader Business Improvement Manager Finance Manager Audit Service	
Also in attendance:	Councillor Stephen Sweeney	Portfolio Holder for Finance, Town Centres and Growth	

### 60. **APOLOGIES**

Apologies for absence were received from Councillors Sylvia Dymond (substitute Councillor Gill Williams), Councillor Bert Proctor (substitute Councillor Ken Owen) and Mr Phil Butters.

### 61. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

### 62. **MINUTES OF PREVIOUS MEETING**

**Resolved:** That the minutes of the meeting held on 19<sup>th</sup> April 2021 be agreed as a correct record.

### 63. **HEALTH AND SAFETY ANNUAL REPORT 2020/21**

The Committee considered the Annual Health and Safety Report. The report covered the period 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021 and its purpose was to keep Members informed of health and safety matters. The report noted how planned workloads had to adapt due to Covid and that specific risk assessments had to be introduced in line with guidance and then reviewed and amended in line with any changes to guidelines.

The report noted that the Employee Handbook and Workplace Policy on Smoking had been agreed at the Corporate Health and Safety Committee, including an addendum on Covid. First Aid training had taken place. The report outlined the number of accidents and reportable accidents both to employees and employees and

the public. The figures showed a reduction on previous years but this could be explained due to not all services opening during the year and some services running at depleted levels.

The report proposed that the practice of submitting a six monthly report be removed to enable officer time to be spent on proactive health and safety measures. An annual report would still be produced.

**Resolved:** that:

- (a) The report be received; and
- (b) The necessity for a six month health and safety report be removed and an annual report on Health and Safety continue to be submitted.

**64. INTERNAL AUDIT ANNUAL REPORT 2020/21**

The Committee considered the Internal Audit Annual Report 2020/21, presented by John Benbow.

The Audit Service had been impacted by the pandemic and a review had been undertaken to ensure the areas that represented the greatest risk were subject to audit during the year, as set out in the report.

The report set out current work in progress and it was noted that the previous audit of the Joint Local Plan had been replaced by an audit of Planning Enforcement following the decision of the Borough Council to progress its own Local Plan. There had been seven recommendations made following audit reviews during the year, with only one recommendation being classed as 'high' and none had yet reached their due date.

The Public Sector Internal Audit Standards required the Head of Internal Audit to submit an annual opinion on the overall effectiveness of the council's framework of governance, risk management and control. The Chartered Institute of Public Finance and Accountancy had produced guidance on this matter in the light of the pandemic, which recognised the difficulties faced by councils and whether the Head of Internal Audit could issue the annual opinion or whether there would need to be a limitation of scope. The limitation of scope would occur when the Head of Internal Audit was unable to draw on sufficient assurance to issue a complete annual opinion and this was the case for the Borough Council; this limitation was based on the impact of the pandemic and it was confirmed that this situation did not reflect adversely on the Borough Council

**Resolved:** that the report be noted.

**65. INTERNAL AUDIT UPDATE QUARTER 1**

The Committee reviewed the Internal Audit Quarter 1 update presented by John Benbow. There had continued to be challenges due to the pandemic.

There were a number of audits in progress as listed in the report. As at the end of June there had been 262 recommendations made of which 242 had been implemented.

**Resolved:** that the report be received.

66. **QUARTER 4 2020/21 AND QUARTER 1 2021/22 CORPORATE RISK MANAGEMENT REPORT**

The Committee considered the Quarter 4 2020/21 and Quarter 1 2021/22 Corporate Risk Management reports. The report set out how the Council managed risks. For Quarter 4 there were no overdue risk reviews. For Quarter 1 of the current year there were 10 overdue risk reviews for the reasons as set out in the report.

**Resolved:** that the Committee notes:

- (a) There are no overdue risk reviews during Quarter 4;
- (b) There are 10 overdue risk reviews during Quarter 1;
- (c) There were no risk level increases during Quarter 4;
- (d) There were no risk level increases during Quarter 1;
- (e) There were 2 new identified risks during Quarter 4;
- (f) There was one new risk identified during Quarter 1;
- (g) The updated corporate risks were set out in Appendix A; and
- (h) Identifies Walleys Quarry as the risk profile to be subject to detailed scrutiny at the next meeting.

67. **PROPOSED ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY FOR THE 2020/21 STATEMENT OF ACCOUNTS**

The Committee considered the proposed Accounting Policies to form part of the Statement of Accounts for 2020/21.

**Resolved:** that

- (a) The proposed Accounting Policies be approved to form part of the Statement of Accounts 2020/21;
- (b) The critical judgements in applying Accounting Policies and the assumptions made about the future and other major sources of estimation uncertainty that will form part of the Statement of Accounts 2020/21 be approved; and
- (c) The Head of Finance (section 151 Officer) be granted delegated authority to make further changes to Accounting Polices to reflect the release of new or updated guidance if applicable.

68. **DRAFT STATEMENT OF ACCOUNTS 2020/21**

The Committee considered the Draft Statement of Accounts 2020/21. Regulations had come into force on 31 March 2021 that extended the publication of Statement of Accounts for a two year period to the 30 September. This meant the draft accounts were required to be published by 1 August and would be available for public inspection during the first 10 working days of August.

The report outlined the impact of the pandemic on the council's finances and set out the Government financial support that had been received. The Head of Finance explained that the council was required to provide assurance to the Government regarding how grant funding had been spent and guidance notes were provided which had been followed.

The Head of Finance explained that certification of the pension fund was provided by Ernst and Young who had notified the External Auditors that there would be a delay; this would result in a delay in completing the external audit on the council's Statement of Accounts.

**Resolved:** that

- (a) The General Fund outturn and key issues in respect of the Council's financial position as at 31 March 2021 be noted; and
- (b) The draft Statement of Accounts be approved for publication and audit.

**69. ANNUAL GOVERNANCE STATEMENT 2020/21**

The Committee considered the Annual Governance Statement (AGS). It was a requirement under the Accounts and Audit Regulations to publish an AGS to emphasise the importance of embedding internal control, including risk management, throughout the council.

The AGS included the following headings:

- Scope of responsibility
- Delivering governance in Local Government: framework
- The governance framework
- Review of effectiveness
- Significant governance issues
- Reflecting the challenges and impact of Coronavirus

**Resolved:** That the Annual Governance Statement for 2020/21 be approved.

**70. TREASURY MANAGEMENT ANNUAL REPORT 2020/21**

The Committee considered the Treasury Management Annual Report 2020/21. The Committee's remit included reviewing treasury management performance in accordance with the Chartered Institute of Public Finance and Accountancy good practice.

Treasury management included management of the council's investments and cash flows, its banking, money market and capital market transactions; effective control of associated risks and the pursuit of optimum performance. The council used Arlingclose Ltd for advisory services for treasury management.

**Resolved:** that the Treasury Management Report for 2020/21 be received and be reported to full Council on 22 September 2021.

**71. COMMITTEE WORK PLAN**

The Committee considered the current Work Plan. The Head of Finance suggested cancelling the meeting scheduled for 27 September 2021 due to the delays in approving the Annual Statement of Accounts meaning the items scheduled for that meeting would not be ready; this had been discussed under item 68 above. This was agreed.

Members were also informed that a report on the impact of the Coronavirus and lessons learned would be submitted to Finance, Assets and Performance Scrutiny Committee and could be removed from its Work Plan.

**Resolved:** that

- (a) Items on the Work Plan listed for 27 September be deferred to the 8 November and the meeting on 27 September be cancelled; and
- (b) The item on the impact of Covid be removed from the Work Plan.

**72. URGENT BUSINESS**

There was no Urgent Business.

**Chair**

Meeting concluded at 7.45 pm