

AUDIT AND STANDARDS COMMITTEE

Monday, 25th April, 2022
Time of Commencement: 7.00 pm

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Present: Councillor Paul Waring (Chair)

Councillors: Barry Panter Sylvia Dymond
Mark Holland Sarah Pickup

Apologies: Councillor(s) Mike Stubbs, Bert Proctor and Mr Phil Butters

Substitutes: Councillor Graham Hutton (In place of Councillor Bert Proctor)

Officers: Simon Sowerby Business Improvement
Manager
Daniel Dickinson Head of Legal & Governance
/Monitoring Officer
Clare Potts Chief Internal Auditor
Craig Turner Finance Manager
Denise French Democratic Services Team
Leader

Also in attendance: Councillor Stephen Sweeney,
Portfolio Holder for Finance,
Town Centres & Growth
Harkamal S Vaid, Grant
Thornton

10. APOLOGIES

11. DECLARATIONS OF INTEREST

There were no declarations of interest stated.

12. MINUTES OF PREVIOUS MEETING

Resolved: That the minutes of the meeting held on 7 February 2022 be approved as a correct record.

13. 2021-22 EXTERNAL AUDIT

The committee considered 2 documents presented by Harkamal Vaid, Audit Manager, Grant Thornton, the council's external auditor:

- (a) Informing the audit risk assessment 2021/22 – the purpose of this document was to contribute towards effective two-way communication between the council's auditors and the committee in its role of overseeing governance. The document comprised a list of queries put by Grant Thornton and the

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council's responses; this helped to inform the Audit Plan. There was nothing that had been brought to the auditor's attention that would develop additional audit risks.

- (b) Audit Plan 2021/22 – this was based on management answers as outlined in (a) above, the auditor's knowledge of the council and the recommendations of previous audits.

The key findings in the Audit Plan were presented. The significant risks were highlighted and related to fraud (this risk was mandatory but was rebutted by Grant Thornton), management over-ride of controls (this was a mandatory risk), valuation of land and buildings, and valuation of the pension fund net liability. The committee was informed how Grant Thornton would respond to each of the risks.

Resolved: that the report be received.

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14. INTERNAL AUDIT ANNUAL REPORT 2021/22 AND AUDIT OPINION

The committee considered the annual report of the Internal Audit activity for 2021/22 presented by the Chief Internal Auditor, Clare Potts.

The report showed that of the planned work for the year, 86% had either been completed or was underway by the end of March 2022 with the remainder carried forward to the current year. There had been 34 recommendations made during 2021/22 with 21% having already been implemented. There was one issue where a negative opinion had been issued in relation to GDPR and audit work would be carried out during the current year to ensure issues had been resolved.

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 opinion for the year was satisfactory showing the council had an adequate, effective and reliable framework of internal control. The opinion definitions were presented in Table 2 paragraph 3.2 but would be amended to read Borough Council rather than City Council.

Resolved: that the report be received.

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15. INTERNAL AUDIT PLAN AND CHARTER 2022/23

The committee considered the Internal Audit Plan for 2022/23 presented by Clare Potts, with a list of proposed items for internal audit during the year. One key area for audit was the One Council programme which was proposed for audit as it was a key strategic project. The committee also considered the Internal Audit Charter which identified how the audit work would be delivered, this was unchanged from previous years.

Resolved: that

- (a) The Internal Audit Plan for 2022/23 be approved;
- (b) The Internal Audit Charter for 2022/23 be approved; and
- (c) Quarterly reports be submitted to the committee on the delivery of assignments within the plan and the implementation of actions arising.

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16. CORPORATE FRAUD ARRANGEMENTS

The Finance Manager presented the policies that supported the Council's Counter Fraud arrangements. They were presented to the Committee on an annual basis for review. The Counter Fraud policies comprised:

- Anti-Fraud and Anti-Corruption Framework
- Fraud Response Plan
- Whistleblowing Policy
- Anti-Money Laundering Policy.

Resolved: that the policies that support the council's counter fraud function be noted – Anti-Fraud and Anti-Corruption Framework; Fraud Response Plan; Whistleblowing Policy; and Anti-Money Laundering Policy.

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17. RISK PROFILES FOR CYBER RISK AND DATA BREACH

The committee considered risk profiles relating to cyber risk and data breach, this had been requested at the last meeting. The committee was informed that there were 23 cyber and data breach risks; of which one was red, nine were amber and 13 were green. A summary sheet had been produced which looked at each risk in depth, along with key control measures and the final risk rating after mitigations, along with identifying the risk owners. This would be circulated outside the meeting.

Resolved: that the risk profiles be noted.

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18. RISK MANAGEMENT POLICY AND STRATEGY 2022/23

The committee considered the Risk Management Policy Statement and Risk Management Strategy; both documents had been reviewed and the policy document had been signed by the Chief Executive and Leader of the Council.

Resolved: that the Risk Management Policy and Strategy for 2022/23 be noted.

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19. COMMITTEE WORK PLAN 2022/23

The committee considered the work plan from June 2022.

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Resolved: that the work plan be noted.

20. **URGENT BUSINESS**

There was no Urgent Business.

**Councillor Paul Waring
Chair**

Meeting concluded at 7.31 pm