

AUDIT AND GOVERNANCE COMMITTEE

26 June 2018

Present – The Chairman (Councillor Harbron) and Councillors Brockbank, Brown, Hull, Lis and Place.

Officers – Chief Finance Officer, Solicitor to the Council and Monitoring Officer, Value for Money and Improvement Manager, Information Governance Manager, Audit Services Manager, Internal Auditor and Democratic Services Manager.

Apologies for absence were received from Councillors Barrett, Mercer and Whitaker and Greg Robinson (Independent Person).

Start: 6.30pm

Finish: 8.15pm

The minutes of the meeting held on 13 March 2018 were approved as a correct record and signed by the Chairman.

EXCLUSION OF THE PUBLIC

Resolved – That, in accordance with the Council’s Access to Information Procedure Rules, the public is excluded from the meeting during consideration of Minutes AC.321 c), AC.322 and AC.323 (marked \$) on the grounds that it is not in the public interest to disclose the Category 3 exempt information (financial or business affairs of any particular person including the Council).

Minutes for Report

AC.316

EXTERNAL AUDIT: AUDIT PROGRESS REPORT

A report was submitted by Mazars LLP, which presented an update on progress in delivering its responsibilities as external auditor for the Council. The report also highlighted key emerging national issues and developments.

The Chair welcomed to the meeting, Mark Kirkham, of Mazars LLP, the Council’s external auditors, to present the report.

There was some concern regarding financial pressures, which it was noted had increased markedly since the last report. In addition, that the pattern of growing overspends on services for some local authorities was not sustainable.

Resolved – That the Committee notes the audit progress report together with the update on key national issues and developments.

AC.317

ANNUAL GOVERNANCE STATEMENT 2017/18

The Chief Finance Officer submitted a report which presented the Draft Annual Governance Statement for 2017/18 for consideration and approval by Committee, and sign off by the Chairman of Audit and Governance Committee and the Chief Executive.

The key areas of discussion were:

- It was noted that the Council was judged to have adequate arrangements in place in relation to risk management. Members emphasised the need for careful monitoring of this area.
- An update that Member and Officer training was being delivered in relation to the Council's Member and Officer Code of Conduct.
- Engagement with outside bodies and proposed improvements to reporting arrangements at full Council meetings.

Resolved – That the Committee approves the Annual Governance Statement, which will form part of the Statement of Accounts 2017/18.

AC.318 **UPDATE ON THE COUNTER FRAUD AND CORRUPTION
ARRANGEMENTS ACTION PLAN – OUTSTANDING ACTIONS**

The Chief Finance Officer submitted a report which presented an analysis of the Counter Fraud and Corruption Arrangements Action Plan elements that still required further work.

The Committee considered the procedures and practices in place for minimising risk in relation to fraud and corruption.

Resolved – That the Committee notes the elements of the Counter Fraud and Corruption Arrangements Action Plan that still requires further work.

AC.319 **UPDATE ON THE IMPLEMENTATION OF THE GENERAL DATA
PROTECTION REGULATION (GDPR)**

The Director of Services submitted a report which updated the Committee on the implementation of the reformed data protection arrangements across Council services since May 2018.

The Committee was advised that parish councils were no longer considered public authorities for the purposes of the GDPR and were not obliged to appoint a Data Protection Officer. The Chairman particularly thanked the Information Governance Manager for his role in supporting parish councils throughout the process.

Resolved – That the Committee notes the progress of implementation of the reformed data protection arrangements across Council services since 25 May 2018.

AC.320 **EXEMPTIONS GRANTED UNDER CONTRACT PROCEDURE
RULES**

The Chief Finance Officer submitted a report in relation to exemptions granted from the Council's Contract Procedure Rules from December 2017 to June 2018.

The Committee was advised that three exemptions had been granted for the period December 2017 to June 2018. A summary of the exemptions were contained at Appendix A to the report.

Resolved – That the three exemptions granted from the Council's Contract Procedure Rules and detailed at Appendix A to the report, are noted.

AC.321 **INTERNAL AUDIT**

- a) Implementation of Recommendations

The Chief Finance Officer submitted a report which updated the Committee on Priority 1 outstanding internal audit recommendations, all those completed in the period and provided a summary of the numbers of Priority 2 and Priority 3 recommendations that had not yet been cleared.

Resolved –

- (1) That the Committee notes the outstanding Priority 1 Internal Audit Recommendations and considers inviting responsible officers to the next meeting where appropriate.
- (2) That the Committee notes the audit recommendations completed in the period and approves the contents of Appendix B to the report.
- (3) That the Committee notes the summary of outstanding audit recommendations.

b) Internal Audit Annual Report

The Audit Services Manager submitted a report which highlighted key findings and conclusions from audit work undertaken by the Internal Audit Service in 2017/18.

In relation to assurance levels it was confirmed that 83% (10 out of 12) of the audit work undertaken had resulted in the auditor awarding either significant or good assurance score on the control environment in place. This represented continual improvement from the position reported in 2016/17 (82%); 2015/16 (67%) and 2014/15 (71%).

Resolved – That the Committee notes the Internal Audit Annual Report, including the auditor's opinion for 2017/18.

c) \$ Internal Audit Reports

The Audit Services Manager presented the following audit reports, which had been undertaken as part of the annual audit plan for 2017/18:

- \$ G4S: Level of Assurance – Significant
- \$ Risk Management Arrangements: Level of Assurance – Partial
- \$ Car Park Income: Level of Assurance – Significant
- \$ Asset Management: Level of Assurance – Partial

The Committee was advised that new systems and structures had been developed to address issues in relation to asset management. It was requested that an update on these developments be provided at the October meeting.

Resolved –

- (a) That the Committee notes the reports of the Audit Services Manager, which had been undertaken as part of the annual audit plan for 2017/18.
- (b) That an update be provided to the October meeting on development of new systems and structures to address issues in relation to asset management.

\$AC.322

INFORMATION MANAGEMENT AND GOVERNANCE
STRATEGY DELIVERY PLAN: UPDATE

The Director of Services submitted a report which provided a progress update against the Council's Information Management and Governance Strategy Delivery Plan.

Resolved – That the Committee notes the progress against the Information Management and Governance Strategy Delivery Plan.

\$AC.323 **RISK MANAGEMENT, STRATEGIC RISK REGISTER AND ACTION
PLANS UPDATE**

The Chief Finance Officer submitted a report which updated the Committee on corporate risk register action plan progress and changes.

Resolved – That the Committee notes the progress on the risk register actions to 31 March 2018.

Minutes for Decision

There were no items for decision.

Chairman.