

AUDIT AND GOVERNANCE COMMITTEE

29 June 2020

Present – The Chairman (Councillor Hull) and Councillors Handley, Mercer, Noland, Place, Wheeler and Independent Person Greg Robinson.

Officers – Chief Executive, Chief Finance Officer (s151 Officer), Exchequer and Performance Manager, Solicitor to the Council and Monitoring Officer, External Audit Engagement Lead, External Audit Engagement Manager, Democratic Services Manager and Democratic Services and Scrutiny Officer.

Apologies for absence were received from Councillors Barrett, Lis, and Harbron.

Start: 6.30pm

Finish: 7.37pm

Resolved – That the minutes of the meeting held on 28 January 2020 were approved as a correct record.

Minutes for Report

AC.378 **EXTERNAL AUDIT: 201920 AUDIT STRATEGY MEMORANDUM**

The Chief Finance Officer introduced the Committee to Mark Dalton and Mark Outterside, new management from Mazars.

The External Audit Engagement Lead presented the report which summarised the audit approach and highlighted significant audit risks and areas of key judgements. The External Audit Engagement Manager briefly addressed the significant identified audit risks which included property valuations, defined benefit liability valuation, investment properties and bad debt provision.

One Member questioned whether the audit was on track as described in the diagram detailed in the report. The External Audit Engagement Lead assured Members the audit was progressing well and on track for completion and presentation in September 2020. Members noted that due to the current climate the draft annual accounts were expected 30 June 2020.

The Chief Finance Manager addressed Members concern in relation to property valuation management. It was explained that the Council's asset base was valued on a cyclical basis. There was a degree of uncertainty due to Covid-19 however not being able to visit sites was not expected to slow proceedings.

Resolved – (1) That, the 2019/20 Audit Strategy Memorandum is noted.

AC.379 **EXEMPTIONS GRANTED UNDER CONTRACT PROCEDURE RULES**

The Chief Finance Officer presented the exemptions granted from the Council's Contract Procedure Rules from 2 January 2020 to 18 June 2020.

The Chief Finance Officer reminded Members that under certain circumstances there were occasions when it's appropriate not to seek tenders or quotations provided that the alternative method of selection can demonstrate value for money. Under the Contract

Procedure Rules there was one current named circumstance under which a responsible officer may seek exemption. Prior approval must be obtained from the Solicitor to the Council (Monitoring Officer) and the Chief Finance Officer.

In the period of January to June 2020, 1 exemption had been granted under the Contract Procedure Rules which was detailed in Appendix A of the report. Members were informed that in addition contracts may currently be awarded without competition in urgent circumstances in relation to the Council's response to Covid-19. Awards must be made in accordance with government Procurement Policy Notes 01/04/20 and 2 contracts had been awarded without competition under these conditions.

Resolved – (1) That, the exemptions granted from the Council's Contract Procedure Rules from 2 January 2020 to 18 June 2020 are noted.

Minutes for Decision

AC.380

REVIEW OF PROCUREMENT POLICIES AND PROCEDURES

The Chief Finance Officer introduced the report which provided the outcome of a review of the Council's Procurement Policies and Procedures and requested approval to update the Council's Contract Procedure Rules in line with the updated policy.

The Exchequer and Performance Manager informed Members that it had been 5 years since the Contract Procedure Rules were last reviewed. The key proposed changes were highlighted which included the recommendation by Cirrus to remove the £30,000 interim threshold, move the lower threshold limit to £7,500, remove specific criteria for exemptions, permit appropriate SLT members to sign-off contract awards between £50,000 and £100,000, require an Experian (or equivalent) credit check for all contracts awards over £25,000 and require the use of e-tendering for all contracts about £7,500. The Exchequer and Performance Manager also informed Members that with a view to supporting the local market, local suppliers would be invited to form a supplier list.

One Member suggested moving the lower limit threshold to £10,000 instead of £7,500. The Chief Executive welcomed the suggestion and Members agreed the move if deemed financially appropriate. A recorded vote was taken which resulted in the agreement of the change.

Resolved – (1) That, the outcome of the review of procurement policy is noted and subject to the confirmation of the lower threshold limit for competitive quotes being moved to £10,000 the Committee approved the changes to the Contract Procedure Rules.

Chairman.