

Corporate Governance and Audit Committee

Monday, 3rd October, 2022

PRESENT: Councillor P Wray in the Chair
Councillors G Almass, J Illingworth,
R Downes, M Midgley, B Flynn and
J Dowson

**INDEPENDENT
MEMBER:** Linda Wild

27 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

28 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

29 Late Items

There were no formal late items. However, there was Supplementary information in relation to Agenda Item 9 – Grant Thornton’s Annual Report and Value for Money Findings 2020/21. This had been circulated to all Members before the meeting.

30 Declaration of Interests

No declarations of interests were made at the meeting.

31 Apologies for Absence

Apologies for absence were received from Councillors Harrand, Shemilt and Truswell.

32 Minutes of the previous meeting - 29th July 2022

RESOLVED – To approve the minutes of the meeting held on 29th July 2022, as a correct record.

33 Matters arising from the minutes

Members were provided with an update on the progress of the 2020/21 accounts. The Committee were advised that until an agreement is reached on a national issue in relation to valuation of highways and other infrastructure the accounts for the Council cannot be finalised. It was noted this should be agreed soon and officers were hopeful that the final accounts and the external audit report on them would be provided at the next meeting.

34 Annual Assurance - Planning Regulation and Enforcement Arrangements

The Chief Planning Officer presented the annual assurance report which provided assurances in relation to planning decision making and enforcement arrangements.

In attendance for this item was David Feeney the Chief Planning Officer

Responding directly to questions from the Members the Committee were provided with the following information:

- There was an acknowledgement that there had been some concerns in relation to enforcement being understaffed. However, the service had now recruited to this part of the service. Enforcement would continue to check on listed buildings, there was also the buildings at risk register which was regularly monitored.
- Members were informed the service was doing the best with the resources has available to streamline use of resources. It was the view that pre application stage provided an early sight to applications and the resources that might be required, going forward.
- Digitisation of the planning service had started in May 2022 which had seen improvements to the back-office systems.
- Members were advised that the Council could be vulnerable through non-determination of decisions which could cause risks in relation to the council's reputation and incur costs. However, the Chief Planning Officer was confident that there were arrangements in place.
- The service had faced challenges through Covid and had seen a backlog of applications. The service was also facing challenges due to national changes in planning policy. One of the challenges was clear communication of the changes and putting processes in place to react to the change. It was noted that this did cause a potential risk but there was scrutiny oversight to mitigate the risks.
- The service had a good working relationship with other departments and there were protocols in place for effective and efficient working to ensure the applicant gets a joined up view from all the services.
- Members were informed a validation criteria is used for assessing information produced in support of applications which included maps. The service was looking at automation of the systems used to validate applications but were still waiting for this. The Council shares best practice with other core cities.

RESOLVED – To consider and note the positive assurances provided in the submitted report and future steps to provide additional assurance in the process.

35 Grant Thornton Annual Report and Value for Money Findings 2020/21

The report of the Chief Finance Officer presented Grant Thornton's Annual Auditor's Report for 2020/21. The report gave the outcome of the audit of the Council's value for money arrangements and included a summary of their audit work to date on the Council's statement of accounts. The report did not identify any statutory or key recommendations but did make a number of recommendations for improvement.

The Auditor's Report was provided as supplementary information.

The Committee had no questions in relation to the report.

RESOLVED – To receive the Annual Auditor's Report presented by Grant Thornton and to note the recommendations for improvement which have been made.

36 Internal Audit Update Report June-August 2022

The report of the Head of Audit provided a source of assurance that the internal control environment was operating as intended through a summary of the internal Audit activity for the period from June to August 2022. The report highlighted the incidence of any significant control failings or weaknesses.

Responding to questions from Members the Committee were provided with the following information:

- *Recommendation Tracking* – Members were advised this was the first time this new process had been used to track the implementation of high and medium priority recommendations raised within audit reports. The work was a key part to helping to understand where controls had been strengthened following audits and also highlighting areas where Internal Audit may wish to re-visit to ensure actions were being progressed appropriately. Members were informed that the onus is on the directorate or service leads to update the trackers. It was acknowledged that further engagement was necessary, and it would be important to keep promoting this process to ensure accurate information was provided to analyse and report on progress. The Committee requested indicative information on how long recommendations had been overdue. Internal Audit said this would be looked at for future reports to the Committee. Members were advised that there were currently no concerns in relation to suggested high priority recommendations. It was noted that Internal Audit were working on an escalation process which would feedback to the service and Members and would be brought to the Committee if there were any concerns.
- *Access to documents by members of the public* – Members were advised that the draft statement of accounts must be put on public deposit for a public inspection period of 30 days each year, during which time the public can ask questions or make objections to the auditors. For the 2021/22 accounts this had happened during August and early September, and it was noted there had been no formal queries or objections this year. Members of the public are also able to put in a Freedom of Information (FOI) request for the Council's accounts or for any service area in the Council. Contracts over £500 are published on the data mill once the transaction has taken place. It cannot be published before the transaction has taken place as this could compromise the bidding process.
- *Internal Audit Productivity* – It was acknowledged that some areas appeared behind such as ICT and Information Governance. However,

the audit plan is profiled across the year, and it is anticipated that these areas would catch up to the appropriate level.

- *Covid 19 grants* – In response to a question Members were informed that they would be provided with the most up to date information on fraudulent grant recovery outside of the meeting.

RESOLVED – To:

- a) Receive the Internal Audit Update Report covering the period from June to August 2022 and note the work undertaken by Internal Audit during the period covered by the report.
- b) Note that there have been no limitations in scope, and nothing has arisen to compromise the independence of Internal Audit during the reporting period.
- c) Receive the report providing information relation to the Monitoring of Urgent Decisions covering the period June to August 2022.

37 Internal Audit Annual Report and Opinion 2021/22

The Internal Audit Annual Report and Opinion 2021/22 set out the annual opinion of the Head of Audit and provided a source of assurance that the internal control environment was operating as intended through a summary of the Internal Audit activity for 2021/22 Internal Audit plan.

In response to questions from the Committee the following information was provided:

- *Recommendation Tracking* – It was recognised that this is a new process, and everybody was still adjusting to the way in which this can work most effectively. It was the view that where it appeared that recommendations were still to be actioned, this may be a reflection of the fact that the process for updating the tracker was still being embedded rather than indicating that the action hadn't been implemented. It was expected that improvements in engagement would be seen across all areas as the process continued to take shape. The Members noted that Internal Audit would be looking to introduce a sample checking process in the future.
- *Procurement* – The Committee noted that the onus was on Contract Managers to regularly check information, check invoices, and check that the service was not being overcharged. This formed part of the central procurement function. It was the remit of Internal Audit to check that processes were working to perform the procurement functions.

The Chair suggested that a briefing note be providing to Members in relation to procurement to show that the Council is getting good services and value for money. It was also suggested that the briefing paper include internal contracts.

RESOLVED – To receive the Internal Audit Annual Report and Opinion for 2021/22 and note the opinion given. In particular:

- a) That, based on the audit work undertaken for the 2021/22 Internal Audit plan, the internal control environment (including the key financial

systems, risk and governance) is well established and operating effectively in practice.

- b) A satisfactory overall opinion is provided for 2021/22, based on the audit work detailed within this report.
- c) That the work undertaken to support the opinion has been conducted in accordance with an established methodology that promotes quality and conformance with the International Standards for the Professional Practice of Internal Auditing (IPPF)

The Committee also noted that there have been no limitations in scope, and nothing has arisen to compromise the independence of Internal Audit during the reporting period.

38 Approval of Annual Governance Statement 21-22

The report of the Chief Officer Financial Services presented the 2022 Annual Governance Statement including the action plan for approval by the Committee.

The report supported the fulfilment of the council's statutory duty to review its system of the internal control, and to produce an Annual Governance Statement.

The report advised Members that the Annual Governance Statement had been published and made available for the statutory inspection period and no questions or objections had been raised.

The Annual Governance Statement had been updated to reflect changes in the internal control environment over the summer and was appended to the report at Appendix A.

RESOLVED – To approve the 2022 Annual Governance Statement including the action plan for 2022.

39 Grant Thornton Audit Plan 2021/22

The report of the Chief Finance Officer presented Grant Thornton's Annual Audit Plan for their 2021/22 audit, covering the audit of the Council's accounts and the process for assessing its arrangements to secure value for money in the use of resources.

The Audit Plan was attached at Appendix 1 and outlined Grant Thornton's approach, timing of the audit work and the significant audit risks identified to date.

The Committee acknowledged the national issue which was causing a delay in producing the Council's accounts and welcomed the update from Grant Thornton.

The Committee received assurance from Grant Thornton that their audit would consider the suitability of the accounting practice against standards in relation to:

- Multi-year contracts and
- Valuation of land, buildings and dwellings, including treatment of depreciation

The Committee also received assurance from the Chief Officer Financial Services that the valuation of assets in the statement of accounts has no impact on the Council's cost of borrowing; and that the Council would only borrow if able to service the MRP.

The Committee considered the auditors approach to follow up of prior year recommendations and sought assurance in relation to the technology used within the audit process.

RESOLVED – To receive the Annual Audit Plan presented by Grant Thornton and to note and agree the nature and scope of the proposed audit work.

40 Grant Thornton Audit Risk Assessment Enquiries 2021/22

The report of the Chief Finance Officer presented a series of enquiries from Grant Thornton which would inform their audit risk assessment for the 2021/22 audit. The enquiries covered accounting issues, arrangements to address the risk of fraud, and legal issues.

Grant Thornton had requested that responses to their enquiries were drafted by officers and formally considered by the Corporate Governance and Audit Committee. The questions and proposed responses were attached at Appendix 1 of the submitted report.

The Committee had no further comments to make.

RESOLVED – To consider the responses proposed by officers to Grant Thornton's enquiries, and to confirm whether these are consistent with Members' understanding of the Council's arrangements in these areas.

41 Corporate Governance and Audit Committee Work Programme 2022-23

The report of the Chief Officer Financial Services presented the work programme for the Corporate Governance and Audit Committee, setting out future business for the Committee's agenda, together with details of when items will be presented.

The Committee were advised that there were no proposed changes to the programme. The work programme was appended to the submitted report at Appendix A.

RESOLVED – To consider and approve the work programme and meeting dates at Appendix A.

42 Date and Time of next meeting

To note the next meeting of the Corporate Governance and Audit Committee will be on Monday 28th November 2022 at 10:00am.

The meeting concluded at 11:20am