
AUDIT COMMITTEE

Monday, 9th March, 2020

Present: Councillor Noordad Aziz (in the Chair), Councillors Kath Pratt, Michael Miller, Tim O'Kane (Vice Chair) and Chris Knight

Apologies Councillor Kate Walsh

293 Apologies for Absence, Declarations of Interest, Dispensations and Substitutions

An apology for absence was submitted on behalf of Councillor Kate Walsh.

There were no substitutions, declarations of interest or dispensations.

294 Minutes of the Last Meeting

The minutes of the last meeting of the Audit Committee held on the 18th November 2019 were submitted for approval as a correct record.

The Chair reported that the issue relating to the Audit fee continued to be determined.

Resolved - That the minutes be received and approved as a correct record.

295 Risk Management Monitoring Report

The Policy Manager submitted a report to inform the Audit Committee of the amendments arising from the review of the Strategic, Generic and Operational Risk Registers.

He outlined the report providing details of a protocol for updating the risk registers and pointed out that plans were in place to mitigate against risks wherever possible. He reported that minor changes had been made to the Strategic Risk Register which were detailed in Appendix 1 attached to the report. Two major changes had been made to the Generic Risk Register with one risk moving to the Operational Risk Register as well as a number of minor changes as detailed in Appendix 2. He informed Committee that Management Team had been informed.

With reference to Appendix 4 of the report 'Summary Risk Registers, Generic' relating to a 'risk of failure to comply with our duty under the Finance Act 2017 to ensure any contractors we take on are complying with "IR35" legislation (off-payroll working arrangements)' being low, Members requested that the Policy Manager checked the number of contracts that fell under this umbrella with Human Resources and reports back to the Committee.

The Committee referred to the summary of the risk registers and the high risk associated with theft or damage to vehicles and equipment and failure to recruit and retain suitably qualified staff. The Policy Manager explained that controls and

measures were being put into place to deal with these issues and provided detail of the controls in place.

Committee Members also raised a number of other issues and responses were provided where possible to the following issues:

- Benchmarking data
- The response provided by the Council to the vehicle fires
- The recent ICT failure across the authority
- Staff performance incentives
- Contingency plans in place for issues such as health and safety, public health, payroll and cemeteries
- Processes used by the Council to deal with email scams
- Use of temporary/agency staff by the Council

The Policy Manager pointed out that the report to the Committee had been prepared and published before the ICT failure across the Council and would therefore provide clarity of the issues raised at the meeting and email Members with the details.

The Chair informed the meeting that the Communities and Wellbeing Overview and Scrutiny Committee could investigate the issue of the use and cost of temporary/agency staff by the Council.

- Resolved**
- (1) That the report be noted;**
 - (2) That the Policy Managers consults Human Resources to find out the number of contracts in place which fall under the IR35 legislation and report back to Committee;**
 - (3) The Policy Manager reports back to Members of the Committee on the issues raised at the meeting as listed above;**
 - (4) That the issue of use and cost of temporary/agency staff used by the Council be referred to the Communities and Wellbeing Overview and Scrutiny Committee.**

296 Audit Progress Report and Key Issues November 2019 - February 2020

The Head of Audit and Investigations submitted a report to inform Members of the Committee of the Audit reports issued during the period November 2019 – February 2020 and brought Members' attention to the areas audited and the key issues that arose. He reported on the Audit Plan and gave details of the projected end of year position. Key issues of the Haworth Art Gallery, Risk Management and Treasury Management which had been audited were provided in Appendix 1.

Councillor Knight referred to changes in personnel/employee roles and the importance of ensuring that changes in access to systems was restricted accordingly. The Head of Audit & Investigations explained that the Audit that had taken place would have taken this into consideration.

The Chair referred to the need for a leaving process checklist and requested that this was implemented.

Councillor O’Kane asked if the valuation of the Mayoral chains included security. The Head of Audit & Investigations explained that the risk management process had been taken into consideration, the chains were insured and the personal safety of the Mayor’s Attendants were paramount.

Resolved **(1) That the report be noted; and**
(2) That a leaving process checklist was put into place
after auditing.

297 Audit Plan 2020/21 Approval

The Head of Audit & Investigations submitted a report to inform Audit Committee about the Internal Audit Plan for the financial year 2020/21. The Audit Committee was requested to approve the proposed Internal Audit Plan for 2020/21 and to grant delegated authority to the Head of Audit & Investigations to make any minor amendments to the Audit Plan proposed by Corporate Management Team without the need for the Internal Audit Plan to be re-approved. He gave details of the audits that had been moved, deleted or added, as set out in the report. He reported on areas of risk within the Council and cross referencing with the Risk Registers.

Councillor O’Kane referred to the Audit Plan, Audit Area – Community Trigger and to incidents that had caused problems in the community. The Head of Audit & Investigations reported that Community Trigger legislation was very specific and relevant to how it should be used.

Resolved **(1) That the Internal Audit Plan for the financial year**
2020/21 be approved;
(2) That authority be delegated to the Head of Audit &
Investigations to make any minor amendments to the
Audit Plan proposed by Corporate Management Team
without the need for the Internal Audit Plan to be re-
approved.

298 Annual Accounts 2019/20 Arrangements

The Head of Accountancy submitted a report to update the Audit Committee on the arrangements made to date and the implications of the changes required for the Council ahead of the closure of the 2019/20 accounts.

The Audit Committee were requested to approve the accounting policies to be used in producing the Statement of Accounts as set out in Appendix 1.

The Deputy Chief Executive talked through the report and confirmed the statutory duty date to approve the account is the 31st July 2020. There were no envisaged problems as all work had commenced and planning had been undertaken. He highlighted the Coronavirus and that may have an impact on staff but just precautionary at this stage.

Recommended – (1) To note the report and arrangements that the Council is making in advance of the closure of accounts for the year 2019/20.

(2) To approve the proposed the proposed accounting policies to be followed in producing the Statement of Accounts as shown in Appendix 1.

299 Audit Progress Report and Sector Update (Grant Thornton)

Grant Thornton submitted a report which informed Members of the Audit Committee with an update on progress as of February 2020 in delivering Grant Thornton's responsibilities as external auditors to the Council. It included a summary of emerging national issues and developments that were relevant and a number of challenging questions in respect of emerging issues which the Committee considered.

Helen Stevenson of Grant Thornton went through the report with a summary of details for each section, which included:

- Progress at February 2020
- Audit Deliverables
- Sector Update
- Brydon Review – the quality and effectiveness of audit
- MHCLG – Independent probe into local government audit
- Redmond Review – Review of local authority financial reporting and external audit
- National Audit Office – Code of Audit Practice
- Financial Reporting Council – Summary of key developments for 2019/20 annual reports
- Financial Reporting Council – aid to Audit Committees in evaluating audit quality
- Implementation of International Financial Reporting Standard 16 Leases
- What is the future for local audit?
- Grant Thornton's Sustainable Growth Index Report
- Institute for Fiscal Studies – English local government funding: trends and challenges in 2019 and beyond
- CIPFA Financial Resilience Index

Helen Stevenson of Grant Thornton confirmed the fee dispute is still ongoing.

The Committee had a discussion about the ongoing work to resolve the Fee and Contract issue.

300 Time/Date/Venue of next Meeting of Committee

The next meeting of the Audit Committee is scheduled to be held on Monday 27th July 2020 at 5.00pm in the Queen Elizabeth Room at Scaitcliffe House.

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed