

AUDIT SUB-COMMITTEE

29th May 2019

PRESENT:-

Conservative Group

Councillor Whittenham (Chairman), Councillor Atkin (Vice-Chairman) and Councillor Churchill

Labour Group

Councillor Dunn and Shepherd

AS/1 **APOLOGIES**

The Sub-Committee was informed no apologies for absence had been received.

AS/2 **MINUTES**

The Open Minutes of the Meeting held on 20th March 2019 were taken as read, approved as a true record and signed by the Chairman.

AS/3 **DECLARATIONS OF INTEREST**

The Sub-Committee was informed that no declarations of interest had been received.

AS/4 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

The Sub-Committee was informed that no questions from members of the public had been received.

AS/5 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Sub-Committee was informed that no questions from Members of the Council had been received.

MATTERS DELEGATED TO SUB-COMMITTEE

AS/6 **LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING**

The External Auditor presented the report to Sub-Committee.

The Strategic Director (Corporate Services) informed the Sub-Committee the UK's exits from the European Union remains a high risk to the authority, due to the potential impact upon Council services if no deal was established. The Council is prepared as much as possible.

Councillor Shepherd queried the financial resilience of the Council. The Strategic Director (Corporate Services) responded to the query, noting the Council was measured at low risk on CIPFA's model, with only an increasing reliance upon the New Homes Bonus identified as an issue.

RESOLVED:-

The Sub-Committee considered the key questions posed by the Council's External Auditors contained in their latest sector update.

AS/7 **INTERNAL AUDIT PROGRESS REPORT**

The Internal Auditor presented the report to the Sub-Committee, outlining progress within the Audit Plan and outstanding recommendations. The Internal Auditors identified key issues, which included the Orchard IT Application and Fleet Management, which were being addressed.

RESOLVED:-

The Sub-Committee considered the report of the Audit Manager and any issues identified be referred to the Finance and Management Committee or subject to a follow-up report as appropriate.

AS/8 **INTERNAL AUDIT ANNUAL REPORT 2018/19**

The Internal Auditor presented the report to the Sub-Committee, highlighting the audit opinion of 'Satisfactory System of Internal Control' and expanded on how that opinion had been concluded.

Councillor Churchill queried if comparative information from the previous year could be included in the report to measure progress. The Internal Auditor noted the query; relaying different issues are presented each year and would not be a like for like comparison.

RESOLVED:-

The Sub-Committee considered and noted the Annual Internal Audit Opinion for 2018/19.

AS/9 **LOCAL CODE OF CORPORATE GOVERNANCE ANNUAL STATEMENT 2018/19**

The Strategic Director (Corporate Services) presented the report to the Sub-Committee, informing the Sub-Committee this was a self-assessment to measure good governance. He noted against the national framework, there was only one principle with a score of 4; this was due to a delay to the peer review exercise as a result of the Senior Management restructure. The peer review will take place in October 2019.

Councillor Churchill queried what the next steps would be once a score of 5 was achieved for all the principles. The Strategic Director (Corporate Services) noted a different set of principles could be introduced which were more localised to prevent complacency.

The Vice-Chairman queried if it was currently an appropriate time to review the Constitution. The Strategic Director (Corporate Services) responded to the query, highlighting various aspects of the Constitution were reviewed or changed regularly, such as the Code of Conduct.

Councillor Shepherd commented that regarding Appendix 1 Core Principle B 'Engaging Comprehensively with Institutional Stakeholders,' he drew the Sub-Committee's attention to the Council's decision made regarding the Infinity Garden Village. He considered that the decision was made without proper consultation including local members and parish councils, etc. Consequently, he felt unable to support the recommendation based upon a lack of engagement and was surprised a score of 5 was achieved.

RESOLVED:-

1.1 The Sub-Committee approved the review against the Council's Local Code of Corporate Governance for 2019/20 as detailed in Appendix 1.

Councillors Dunn and Shepherd requested that their vote against this item be recorded.

1.2 The Sub-Committee approved the work plan to strengthen the Council's governance arrangements in 2018/19 as detailed in Appendix 2.

Abstention: Councillor Shepherd.

AS/10 **ANNUAL GOVERNANCE STATEMENT 2018/19**

The Strategic Director (Corporate Services) presented the report to the Sub-Committee, noting the Statement is a statutory requirement to demonstrate the Council's governance arrangements.

RESOLVED:-

1.1 The Sub-Committee approved the referral of the Annual Governance Statement (AGS) for the year ended 31 March 2019 to the Finance and Management Committee and its publication within the Statement of Accounts for 2018/19.

1.2 The Sub-Committee authorised the Leader of the Council and Chief Executive Officer to sign the Annual Governance Statement.

Councillors Dunn and Shepherd requested that their vote against this item be recorded in line with previous comments made.

AS/11 **ANTI-FRAUD AND CORRUPTION PLAN 2019/20**

The Strategic Director (Corporate Services) presented the report to the Sub-Committee, noting the report captured incidents of fraud which had been prevented and on-going for a period of time.

Members requested the figures be split to reflect where incidents of fraud had been identified, funds had been recovered, unrecovered funds, and prevented incidents of fraud. The Strategic Director (Corporate Services) noted the request.

RESOLVED:-

The Sub-Committee approved the proposed Anti-Fraud and Corruption Plan attached to the report.

AS/12 **COMMITTEE WORK PROGRAMME**

The External Auditor informed the Sub-Committee the report titled 'Audit Results Report (ISA 260) for the year ending 31st March 2019,' due to be presented at the Sub-Committee scheduled for 24th July 2019, would be deferred to a later Sub-Committee due to staff vacancies and recruitment issues at Ernst and Young, which would delay the Audit of the Council's Accounts.

Members expressed their disappointment the report would not be completed within timescale and raised concerns and queries regarding the fee expected to be paid by the Council. The External Auditor noted a reduction in the fee would not be offered as the fee was set by the Public Sector Audit Appointments and the work would still be carried out.

RESOLVED:-

Members considered and approved the updated work programme with the amendment

AS/13 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11

The Sub-Committee was informed that no questions from Members of the Council had been received.

The Meeting terminated at 5.40pm.

COUNCILLOR J WHITTENHAM

CHAIRMAN