

**AUDIT & GOVERNANCE COMMITTEE**  
**Tuesday 11<sup>th</sup> July 2023**

**PRESENT** – Dave Harling (in the Chair) Councillors Baldwin, Khonat, Whittingham, Slater N.

**ALSO PRESENT** – Executive Member for Finance and Governance Vicky McGurk.

**OFFICERS** – Denise Park, Colin Ferguson, Simon Ross, Christopher Bradley, Jenna Russett-Knott, Phil Llewellyn and Syeda Azmat.

**The Councils Auditors-** John Farrar and Gareth Winstanley (Grant Thornton).

**RESOLUTIONS**

**35. Welcome and Apologies**

The Chair welcomed everyone to the meeting.

**36. Minutes of the meeting held on 2<sup>nd</sup> March 2023**

The Minutes of the meeting held on 2<sup>nd</sup> March 2023 were submitted for approval.

**RESOLVED** – That the Minutes of the meeting held on 2<sup>nd</sup> March 2023 be approved as a correct record and signed by the Chair.

**37. Declarations of interest**

No Declarations of interest were made by Members of the Committee.

**38. Annual Report on Health & Safety 2022/23**

Jenna Russett-Knott presented the Annual Report on Health & Safety for 2022/2023. The report highlighted the key information for 2022-2023 in terms of Accidents, Incidents and near missed data along with key highlights from the period. The report also covered plans and priorities for 2023-2024.

Councillor Slater raised several questions in regard to how many serious liability issues had been raised and referred to in the report, had they been any serious incidents in relation to insurance, clarification on why the same repetitive issues were present in the report once again in relation to staffing and how this effected the spending.

Jenna Russett-Knott provided clarification by directing all to page one of the report where details of all lower level incidents and the single large scaled incident could be found.

**RESOLVED –**

That the report be noted.

**39. Use of Waivers**

Christopher Bradley presented a report to inform Committee Members of the volume of waivers from the Contract and Procurement Procedure Rules.

Officers are aware of issues in other Councils where excessive and inappropriate use of waivers could be an indication of wider governance issues. As part of the committee's role to oversee the annual governance process and the arrangements to secure value for money it was felt that it was appropriate for this report to be brought to the committee to show that the Council does have an appropriate system in place, and for the committee to discuss and agree the oversight it wished to have.

89 waivers were approved in 2022/23. This was higher than previous years which were typically around about 60 per year. This could be down to the new automated process being easier to use and track than the previous version so departments are more willing to use the process. It may also be partially down to increased engagement with departments highlighting the need for compliance with Contract and Procurement Procedure Rules including the use of waivers where appropriate. However there is a risk that a culture of waivers being the easy option emerging. The Head of Legal and Procurement was therefore highlighting to Extended Leadership the importance of the competitive process and advice on how to avoid the need for waivers in the future.

So far in this in this financial year there had been 15 waivers down from 19 in the same period last year which indicated numbers may be coming down slightly and could indicate that procurement exercises recommended by the Head of Legal and Procurement on previous waivers are now being implemented.

Councillor Slater questioned the use of the amount of waivers in place for a small organisation and requested clarification on if this could be presented to the P&R Chair.

Denise Park reported this could be presented to the P&R Chair and the Officers are aware of when waivers were appropriate for use.

#### **RESOLVED –**

The Committee is asked to note the contents of the report, agree to the frequency and content of future reports.

#### **40. External Audit Findings Report 2020/21**

John Farrar presented a report which provided Members with an update on External Audit Findings.

Council Slater raised concern in regard to the assumption placed on pension labour, asset evaluations and requested this to be noted.

#### **RESOLVED –**

That the report be noted.

#### **41. Statement of Accounts 2020 - 2021**

Simon Ross presented a report detailing the statement of accounts for the financial year 2020/2021. The accounts provided a useful source of financial information for the community, stakeholders, Council Members and other interested parties. The report highlighted some of the achievements of the Council over the course of the last year, which have been delivered against a challenging backdrop of the Covid-19 pandemic.

The Chair commented that the information and appendix would be very useful for all Members.

**RESOLVED –**

That the Audit and Governance Committee;

1. Note the outcome of the audit of the Council's financial statements as presented by Grant Thornton in their Audit Findings Report for 2020/21 (previous agenda item).
2. Note the updated Statement of Accounts for 2020/21 as presented with this agenda and, subject to any minor amendments arising from the outstanding external audit work, give approval to the Statement of Accounts as presented at Appendix 3
3. Agree that the Chair may sign the Statement of Accounts in consultation with the Chief Executive (as acting s151 Officer), on conclusion of the audit.
4. Note the draft letter of representation to the external auditors, which is provided at Appendix 2, with the final version to be signed by the Chief Executive and the Chair of the Audit and Governance Committee at the date of issue of the audit opinion

**42. Application of Accounting Policies**

Simon Ross provided the Committee with a report on the accounting policies that would be used in the preparation of the Council's Statement of Accounts for the financial year ending 31 March 2023. This allowed the Committee to review and consider the proposed Accounting Policies to be used in the preparation of the Council's Statement of Accounts 2022/23.

**RESOLVED –**

That the Committee note the use of the Accounting Policies as set out in Appendix A for the preparation of the Council's Statement of Accounts 2022/23.

**43. Closure of Accounts 2022/23 - Assessment Going Concern Status**

A report was submitted informing the Committee of an assessment of the Council as a 'going concern' for the purposes of producing the Statement of Accounts 2022/23.

The concept of a 'going concern' assumed that an Authority, its functions and services would continue in operational existence for the foreseeable future. This assumption underpinned the Statement of Accounts drawn up under the Local Authority Code of Accounting Practice and was made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government).

It was considered that having regard to the Council's arrangements and such factors as highlighted in this report that, for the purposes of producing the Statement of Accounts for 2022/23, the Council remained a going

concern in 2022/23 and for the following 12 months. This assessment was based on information available at the time of writing the report.

**RESOLVED –**

That the Committee note the outcome of the assessment made of the Council's status as a 'going concern' for the purposes of preparing the Statement of Accounts for 2022/23.

**44. Treasury Management Annual Report 2022/23**

Simon Ross presented a report which contained the Treasury Outturn position for 2022/23, as also reflected in the 2022/23 Outturn Corporate Monitoring Report (6th July Executive Board).

The Chair noted the positive report and debt had a significant reduction.

**RESOLVED –**

That the Audit and Governance Committee note the Treasury Management position for financial year 2022/23 including the period from January 2023 to March 2023

**45. Audit & Assurance - Progress & Outcomes to May 2023**

Colin Ferguson presented a report which informed Committee Members on the progress and outcomes made by Audit and Assurance in the period from 1<sup>st</sup> of Feb – 31<sup>st</sup> of May 2023.

The report highlighted Counter Fraud activity and data relating to Corporate Governance and Risk, and summarised for twelve audits completed since the last report to the committee as well as ongoing audits and the performance of internal audit.

Councillor Vicky Ellen McGurk noted her appreciation of the quantity and quality of such audits as it highlighted the level of assurance it creates among Members and the public.

**RESOLVED –**

That the report be noted.

**45. Annual Risk Management Report 2022/23**

A report was submitted informing the Committee Members of the risk management related activity which has taken place or been delivered during 2022/23. It provided an overall conclusion on the effectiveness of the risk management arrangements in place within the Council.

Risk 21 was highlighted in discussions, relating to the potential risk to the council as a result of Public Enquiry into the Covid-19 Pandemic.

**RESOLVED –**

That the Committee note the annual risk management report and agree the conclusion on the overall effectiveness of the Council's risk management arrangements in place during 2022/23.

**46. Annual Counter Fraud Report 2022/23**

Colin Ferguson presented a report which informed the Audit & Governance Committee of the results of the counter fraud activity that has been carried out during the year ended 31 March 2023 to minimise the risk of fraud, bribery and corruption occurring in the Council, and the outcome of investigations carried out into potential or suspected fraud or irregularities.

The Committee was recommended to consider the Counter Fraud Annual Report (as set out in Appendix A) as part of its monitoring role.

**RESOLVED –**

That the report be noted.

**47. Annual Internal Audit Opinion Report 2022/23**

Colin Ferguson presented the Committee with the Annual Internal Audit Report for 2022/23.

The report provided independent evidence that allowed the Audit & Governance Committee to fulfil its role and function of providing independent assurance to the Council on the adequacy of the risk management, and internal control arrangements in place within the Council.

**RESOLVED –**

That the committee note the content of the Annual Internal Audit Opinion Report for 2022/23 (as set out in Appendix A)

Note the overall annual opinion of the Head of Audit & Assurance, which is that adequate assurance can be placed upon the Council's framework of governance, risk management and internal control

Note that the internal audit work that supports this opinion has been delivered in accordance with the Public Sector Internal Audit Standards (PSIAS) and that there are no significant areas of non-conformance

**48. Annual Governance Statement for 2022/23**

The Chief Executive provided the Committee with the draft Annual Governance Statement for 2022/23.

The report detailed the significant issues Governance continue to face particularly in relation to budget issues relating to Children's and Adults and Health.

**RESOLVED –**

That the report be noted.

**49. Audit & Governance Committee Annual Report 2022/23**

Colin Ferguson introduced Members to a report which summarised the work undertaken and reports considered by the Committee during the year to demonstrate that it had fulfilled its agreed terms of reference.

The Committee was asked to consider and approve the Committee's Annual Report; and refer the report to Full Council for endorsement.

The Chair highlighted the good practice checklist included in the report which was helpful in identifying the points of discussion.

The Chair commented on the recruitment of Independent Members of the committee and Colin Ferguson confirmed that the process was ongoing.

The Chair highlighted the struggle with lateness of reports. There was an understanding that some Members worked and found it difficult to read the full agenda. This raised the issue of all the items needing to be submitted for Members to review before Committee.

Members of the committee commented on the volume of reports and it was suggested that a guidance note would help in some cases.

The Chief Executive confirmed that the Audit and Governance plan would be looked at to identify time critical items and to achieve a balanced agenda going forwards.

**RESOLVED -**

That that the Annual Report be approved and referred to Full Council for endorsement.

Signed: .....

Date: .....

Chair of the meeting  
at which the minutes were confirmed