

AUDIT & GOVERNANCE COMMITTEE
Tuesday, 15 January 2019

PRESENT – Councillors, Casey, Connor, Rigby, Sidat and Whittle.

EXECUTIVE MEMBER – Councillor Andy Kay.

OFFICERS – Louise Mattinson, Colin Ferguson, Phil Llewellyn (BwDBC), John Farrar and Simon Hardman (External Audit).

RESOLUTIONS

25 **Welcome and Apologies**

The Chair welcomed everyone to the meeting. Apologies were received from Councillor Vicky McGurk.

26 **Minutes of the meeting held on 16th October 2018**

The Minutes of the Meeting held on 16th October 2018 were agreed as a correct record.

27 **Declarations of Interest**

No Declarations of Interest were received.

28 **External Audit - Grant Certification Report 2017/18**

Details of the Certification work undertaken by Grant Thornton were submitted to the Committee for the Year Ending 31st March 2019 in terms of the Housing Benefit subsidy claim.

As a result of the errors identified, the claim was qualified. The indicative fee for 2017/18 was based on 2015/16 certification fees, reflecting the amount of work required by the auditor to certify the claim and the fee remained unchanged following completion of the work.

RESOLVED – That the report be noted.

29 **External Audit - Audit & Governance Committee Progress Report and Update year ended 31st March 2019**

The Council's External Auditors reported on progress up to 17th December 2018 and gave a Sector update.

Work had started on planning for the 2018/19 financial statements audit, with the interim audit due to commence during January.

In terms of Value for Money, an initial risk assessment to determine the approach started in December 2018, and a Value for Money Conclusion given by the deadline in July 2019.

RESOLVED- That the update be noted.

30 Treasury Management Report - October to November 2018

A report was submitted which summarised the interest rate environment for the period and the borrowing and lending transactions undertaken, together with the Council's overall debt position. It also reported on the position against Treasury and Prudential Indicators established by the Council.

RESOLVED – That the Treasury Management position for the period and draft Treasury Management Strategy for 2019/20 be noted.

31 Audit & Assurance - Progress & Outcomes to November 2018

The Head of Audit & Assurance submitted a report which updated the Committee on achievements and progress made by Audit & Assurance in the period from 1st October 2018 to 30th November 2018.

The report focused on a number of key areas in the Audit & Assurance Plan, in particular Corporate Governance and Risk, Counter Fraud Activity and recent audits completed and finalised.

RESOLVED - That the Committee note the outcomes achieved to 30th November 2018 against the Audit & Assurance Plan, which was approved by Committee in April 2018.

32 Annual Governance Statement - Progress on 2017/18 Actions and Plan for 2018/19

Members received a report on the progress of the actions taken to address the significant governance issues identified in the 2017/18 AGS and the planned approach and timetable for producing the 2018/19 Statement.

The following significant issues were noted in the 2017/18 AGS: Children's Services Financial Position (action brought forward from 2016/17); and Highways Inspection Arrangements (2017/18 action).

The details of progress made to 30 November for each of these areas was shown in Appendix 1 of the report submitted. Appropriate steps had been taken by managers and senior officers in respect of the issues identified, although ongoing children's' social care pressures were noted. The actions taken and progress made were largely in accordance with expected targets.

The report also outlined the approach for 2018/19.

RESOLVED – That the Committee note the progress made to address the significant actions identified in the 2017/18 and note the approach/timetable for producing the 2018/19 AGS.

33 Risk Management - 2018/19 Quarter 2 Review

The Committee were provided with details of the risk management activity that had taken place in the period from 1st July 2018 to 30th September 2018.

The Corporate Risk Register currently contained a total of 14 open risks, a reduction of one from the number of risks at the end of Quarter 1 2018/19. Corporate Risk 5, the risk that that governance and decision making arrangements fail, had been reviewed and re-assessed. The controls in place relating to this area had been assessed as good and, as the new Constitution and the related governance arrangements had been confirmed as in place the risk identified had been accepted and the risk closed. This risk would continue to be managed as part of business as usual activity.

A summary of the corporate risk details was attached at Appendix 1 of the report. The report identified any changes in the residual risk score from the previous quarter to enable movements to be tracked. The only change to note in the period was the increase in the residual risk score relating to Risk 15, failure, at a corporate level, to comply with Health & Safety legislation and provide both a safe working environment for employees and the provision of a safe environment for service users. The residual risk for this area had increased from Low to Medium as a result of the likelihood of this risk being reassessed following an increase in the number of health and safety accidents and related matters reported recently. Steps were being taken to raise staff awareness on these matters.

Corporate Risk 14, that of a high profile serious/critical safeguarding incident/case occurring that is known to Council services, remained the top corporate risk as noted in the Quarter 1 2018/19 Risk Management Update reported to the October meeting of the Committee.

RESOLVED – That the Committee note:

- The progress made on the Corporate Risk Register as at the end of Quarter 2 2018/19;
- The risk management activity that has occurred during the period; and
- Will consider the selection of a Corporate Risk for the Committee to undertake a review of its assessment, control and monitoring at its next meeting.

34 Audit & Governance Committee - Effectiveness Assessment 2018/19

Members received a report which presented the results of the annual assessment of compliance of the Audit & Governance Committee against recognised best practise recommended by CIPFA as well as a summary of Committee members' self-assessments. The results of the various assessments were set out in appendices 1, 2 and 3 of the report, and further outlined in the report submitted.

RESOLVED – That the following be noted and approved:

- the Audit & Governance Committee's position when compared to the CIPFA good practice checklist (Appendix 1);

- the Evaluation of Effectiveness of the Audit & Governance Committee, produced by the Head of Audit & Assurance on behalf of the Chair of the Committee (Appendix 2); and,
- the summary results from the individual member self-assessments of the overall effectiveness of the Committee (Appendix 3).

35 Significant Partnerships Register 2018/19

Members were provided with an update on the Significant Partnerships Register for 2018/19. The Register identified all the significant partnerships the local authority was involved in as per the Audit & Governance Committee's Terms of Reference.

In October 2018 the Audit and Assurance Team undertook an audit exercise of the Significant Partnerships Register to ascertain its effectiveness. Substantial Assurance was awarded for the Control environment and Adequate Assurance was awarded for Compliance.

The Significant Partnerships Register update 2018/19 was undertaken following the completion of the audit, and a six month update would be provided in June 2019.

RESOLVED – That the Audit & Governance Committee note and approve the significant partnerships submitted for inclusion in the 2018/19 register.

Signed:

Date:

Chair of the meeting
at which the minutes were confirmed