

AUDIT & GOVERNANCE COMMITTEE

Tuesday, 15 October 2019

PRESENT – Councillors, McGurk (in the Chair), Whittle, Davies, Fazal and Slater.

OFFICERS – Louise Mattinson, Andrew Tordoff, Chris O'Halloran, Phil Llewellyn and Becky Bird (BwDBC), John Farrar and Simon Hardman (Grant Thornton).

ALSO PRESENT – Councillor Andy Kay.

RESOLUTIONS

19 **Welcome and Apologies**

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

20 **Minutes of the meeting held on 6th August 2019**

The Minutes of the meeting held on 6th August 2019 were agreed as a correct record, subject to the amendment of the third paragraph in minute number 17, with the removal of 'with work due to be completed to meet the deadline of 13th September 2019'.

21 **Declarations of Interest**

No Declarations of Interest were received.

22 **External Audit Progress Report and Update - Year Ended 31st March 2020**

John Farrar and Simon Hardman reported that the financial statements audit for 2018-19 had been completed and the report and certificate of closure had been issued on 30th September, and a Value for Money (VFM) Conclusion had also been issued on the same day. Planning was underway for the 2019-20 audit and VFM work.

It was also reported that the annual Housing Benefit Subsidy certification work was in progress for 2018-19 and would be completed by the November deadline. The Council's Teachers Pension return was also being reviewed and work would be complete by the 30th November deadline.

A Sector update was also provided, highlighting key developments and changes.

In discussing the report, the Chair and several Members of the Committee made reference to the additional fees highlighted on page 27 of the agenda, where £9k additional fees were outlined, £3k of which related to assessment of the impact of the McCloud ruling, £3k relating to work around IAS 19 (Pensions) and a further £3k relating to PPE valuations work. The Chair indicated that these additional costs were forecastable and should

have been planned work and not be an additional cost to the Council.

John Farrar explained the circumstances and advised that the IAS 19 and PPE work had been highlighted by the Financial Reporting Council nationally and that the quality of audit work in these areas needed to improve across the sector. Accordingly, the fees for the extra work had been passed on to the Council.

It was confirmed that Council officers would be pursuing this matter with the P.S.A.A, and the Chair commented that it was understood that not all auditors had charged their clients for this work.

John Farrar confirmed that there would be no additional fees for this work in 19/20.

In relation to the actual audit, the Chair advised that she requested feedback from officers on the audit, and feedback had been received that there had been repetition of work, with the same areas being looked at again from the beginning and it would have been better if a fresh approach had been taken. The External Auditors advised that some of the audit work had to be done the same way, but that changeover of staff had been part of the issue, but that handover of work would be managed moving forward and monthly meetings with Finance would also help.

RESOLVED – That the update be noted.

23 Treasury Management Report - June to August 2019

A report was submitted which updated Members with regard to the Treasury Management position to date and proposed Strategy for the remainder of 2019/20. The report summarised the interest rate environment for the period and borrowing and lending transactions undertaken, together with the Council's overall debt position, and the position against Treasury and Prudential Indicators established by the Council.

RESOLVED – That the Treasury Management position for the period, and proposed Strategy for the remainder of the year be noted.

24 Audit & Assurance - Progress & Outcomes to September 2019

A report was submitted outlining the achievements and progress made by Audit & Assurance in the period from 1st June 2019 to 30th September 2019.

Counter Fraud Activity relating to the National Fraud Initiative was highlighted, along with other fraud investigations, in particular two separate cases of suspected overpayments in respect of social care clients in receipt of Direct Payments for their care provision. Louise Mattinson advised that she would raise these matters with Sayyed Osman, Director (Statutory DASS) in terms of the administration around changes of circumstances.

The report also highlighted recent audits undertaken, and those ongoing, along with audit performance compared to the previous period.

RESOLVED – That the report be noted.

25 Risk Management - 2019/20 Quarter 1 Review

The Committee were advised of risk management activity for the first quarter – 1st April 2019 to 30th June 2019.

There were 13 open risks at 30th June 2019, with no change to the residual risk score for any of the risks identified since the last quarter.

In discussing the report, the risk relating to trip hazards on un-adopted roads was raised, with Louise Mattinson advising that she would check with the Council's insurance team about any potential liabilities and report back accordingly.

The Committee were asked to consider which Corporate Risk it would like to review at its next meeting, between Adult Safeguarding and Health Outcomes, with the Committee selecting Health Outcomes.

RESOLVED – 1) That the risk management activity that has occurred during the period be noted; and
2) That a review of the Corporate Risk Health Outcomes be undertaken at the next meeting in terms of its assessment, control and monitoring.

Signed:

Date:

Chair of the meeting
at which the minutes were confirmed