

Minutes of the meeting of Audit and governance committee held at Online meeting only on Tuesday 5 May 2020 at 10.30 am

Present: Councillor Nigel Shaw (chairperson)
Councillor Christy Bolderson (vice-chairperson)

Councillors: Dave Boulter, Peter Jinman, Diana Toynbee and Yolande Watson

Officers: Solicitor to the council and Chief finance officer

425. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Bob Matthews.

426. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

427. DECLARATIONS OF INTEREST

There were no declarations of interests.

428. MINUTES

Action tracker

The following actions were discussed:

Action 2 – training on the Redmond review was to be arranged as soon as possible.

Action 12 – had a due date May 2020 which should be changed to June 2020 (page 19 of the agenda pack).

Action 32 – a major project to be audited against the Blue School House recommendations would be picked up as part of the discussion on the internal audit plan for 2020/21.

The committee requested that when briefing notes were circulated that acronyms were set out in full for the first time. Democratic services to pass this request on to all officers.

RESOLVED:

That the minutes of the meeting held on 28 January 2020 be confirmed as a correct record.

429. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

430. QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

431. INTERNAL AUDIT PLAN 2020-21 AND INTERNAL AUDIT CHARTER

Jacqui Gooding from South West Audit Partnership presented the draft internal 2020/21 audit plan.

The committee thanked the finance team and internal audit for their work in relation to Covid-19. The chief executive was also thanked for his weekly report to all councillors.

It was noted that internal audit was classed as the third line of defence but that this was referenced in the internal audit charter. SWAP explained that this was explained in the annual report but the first two lines of defence were the controls and responsibility in relation to officers and the underpinning policies which officers should be working to. SWAP would look at what is in place and there is policies / controls not in place, they would make recommendations.

It was requested that as issues were identified they were logged as that lessons could be learnt.

It was noted that SWAP were contracted for 900 days and that if there was a need for additional work in relation to Covid-19, some of the audit work in the draft plan may need to be removed to accommodate this work. SWAP and the chief finance officer were meeting on a regular basis to monitor how many days had been used and will revise the plan as require. The committee would be informed of any changes to the plan as part of the regular reporting.

The issue of the cost of the additional work in connection with personal protection equipment (PPE) was discussed. The government had assured councils that these costs would be covered. It would be considered appropriate to ask SWAP to look at these new process and suppliers in due course as they had been built from the scratch. It may be possible to charge this work to the grant funding which will be received in connection with Covid-19.

The committee thanked SWAP for the report as it gave them a better insight and assurance into the coverage in connection with the corporate ambitions and the risk register.

In response to a query from a member of the committee, it was confirmed that the 28% of risks in the corporate risk register would be covered by other assurance mechanisms. The annual governance statement was used as an example of providing assurance about other types of controls. Once the plan was confirmed, then cross referencing work would be undertaken and would be covered in the mitigation section of the register. It was noted that some of the risks not covered would have been covered in previous years and / or covered by the work of the external audit. It was agreed that this would form part of the next progress report to the committee [16 June 2020].

SWAP confirmed that the audit into strategic partnerships [page 39 of the agenda pack] was likely to go ahead and that the work could be done in order to inform the work of the re-thinking governance working group who would be considering this point. The re-thinking governance working group would presenting their proposals to the audit and governance committee in September, with recommendations going to council in October 2020.

It was noted that the committee had requested the audit of a specific capital project against the recommendations of Blue School House and wanted assurance that it had

been or will be delivered. The committee suggested that perhaps a discussion with S151 officer about the scope the audit would be helpful so that there was assurance that the scope was the one which the committee had intended.

Internal audit charter

Jacqui Gooding presented the internal audit charter. The committee had last approved the charter on 19 March 2019.

It was confirmed that SWAP share audits and have regular conversations with the external auditor (Grant Thornton). Grant Thornton confirmed that they do not place any reliance on the audits but do use them to inform their planning and direction of travel with regard to the external audit.

Following a query from the committee, SWAP agreed to look at the working with regard to the provision of consultancy so that it was clear that this was potentially other work which may sit either inside or outside of the internal audit plan.

Agile auditing

It was noted that once staff return to an office environment, there will be a move to agile working. This meant that the audit engagement would be in shorter stages and the service being audited would be kept more informed. The audits would be shorter from start to finish. It was confirmed that whilst there would be more people involved in the audits, there would be no increase in costs as the council paid for 900 days of auditing. It was hoped that this would drive efficiencies but this would not be confirmed until there had been a move to agile working.

RESOLVED that the

- (a) proposed internal audit plan 2020-21 at appendix 1 was reviewed.**
- (b) internal audit charter at appendix 2 be approved; and**
- (c) agile auditing document at appendix 3 be noted.**

432. NMITE PROGRESS REPORT

The chief finance officer presented the report.

It was noted that the council's responsibility as the accountable body had ceased with the payment to NMiTE from the Department for Education (DfE). The final payment had been received by the council on 15 April from the DfE and transferred to NMiTE straightaway. Any other funding which NMiTE had received would be overseen by the relevant scrutiny committee.

It was further noted that the progress with regard to some of the milestones were part of the funding agreement that the council were not required to provide comment on and that they would be the responsibility of the NMiTE Board and the DfE.

The council had been supportive of NMiTE since the beginning and would continue to be supportive. As part of the ongoing NMiTE growth, they were looking at building and expanding in the city to teach students and student accommodation in Station Approach. The student accommodation at Station Approach would house NMiTE students as well as students from the Hereford College of Arts.

It was confirmed that there was no requirement to report back to council that the accountable body status had now ceased.

It was proposed by Councillor Nigel Shaw and seconded by Councillor Dave Boulter that the report be noted.

For: 6
Against: 0
Abstentions: 0

RESOLVED that the report be noted.

433. REMUNERATION OF INDEPENDENT PERSONS FOR STANDARDS

The solicitor to the council presented the report.

It was noted that if the committee were to recommend that the independent persons (IP) for standards be paid an allowance that the independent remuneration panel (IRP) be asked to make a recommendation to council.

It was confirmed that IPs could claim their expenses.

It was noted that if a decision was made to pay an allowance, an IP could chose not to receive it. There were currently 7 IPs and the workload was evenly spread. However, there was a great deal of background work required by an IP when preparing for a standards panel as well as chairing a panel. The solicitor to council confirmed that the Localism Act 2011 did permit an allowance to be paid without affecting an IP's independence.

Following a query from a member of the committee, it was noted that there had been difficulty in the past in recruiting IPs but at the last recruitment drive, 8 had been recruited.

It was proposed that Councillor Peter Jinman and seconded that Councillor Christy Bolderson that it be recommended to council that independent persons for standards be paid an allowance.

For: 4
Against: 0
Abstentions: 2

It was noted that Richard Stow's term as an independent person for standards would cease at the end of May. Mr Stow had provided advice on the code of conduct and also assisted with a large number of complaints in relation to one parish council. The committee thanked Mr Stow for his advice during the last four years.

RESOLVED that

- (a) the independent persons for standards be paid an allowance; and**
- (b) the independent remuneration panel be asked to make a recommendation to council in respect of an allowance rate.**

434. WORK PROGRAMME UPDATE

The work programme for 2020/21 was discussed. It was noted that the work programme had been revised in order to reflect the changes necessary in light of Covid-19.

A member of the committee had been looking at the format of the work programme and a revised layout would be circulated to members and be attached to the work programme item at the meeting in June 2020. The work programme had been reconciled to the functions of the committee.

It was suggested that a review of effectiveness and a skills matrix of committee members be undertaken.

It was agreed to add a progress report from the re-thinking governance working group to the June agenda.

RESOLVED that subject to the addition of a progress report from the re-thinking governance working group on 16 June 2020, the work programme for 2020/21 be approved.

The meeting ended at 12.37pm

Chairperson