

## **ACCOUNTS AND AUDIT COMMITTEE**

**19 JUNE 2019**

### **PRESENT**

Councillors B. Brotherton (in the Chair), G. Coggins, J. Dillon, A. Duffield, A. Mitchell and L. Patel; and Mrs. J. Platt (Independent Member).

### **IN ATTENDANCE**

Deputy Director of Finance (G. Bentley),  
Corporate Director, Governance and Community Strategy (J. Le Fevre),  
Audit and Assurance Manager (M. Foster),  
Democratic and Scrutiny Officer (J.M.J. Maloney).

### **ALSO IN ATTENDANCE**

Ms. K. Murray and Mr. T. Rooney (Mazars).

### **APOLOGIES**

Apologies for absence were received from Councillors C. Boyes, P. Lally and J. Lloyd.

#### **1. QUESTIONS FROM MEMBERS OF THE PUBLIC**

It was reported that no questions had been received in relation to the agenda for the current meeting.

#### **2. MEMBERSHIP OF THE COMMITTEE 2019/20**

The Committee received for information details of its membership, as determined by the Annual Meeting of Council on 22<sup>nd</sup> May, for the municipal year 2019/20.

RESOLVED – That the Committee's membership be noted.

#### **3. TERMS OF REFERENCE OF THE COMMITTEE 2019/20**

The Committee received for information and noted its Terms of Reference as determined by the Annual Meeting of Council on 22<sup>nd</sup> May.

RESOLVED – That the Committee's Terms of Reference be noted.

#### **4. MINUTES**

RESOLVED – That the Minutes of the meeting held on 26<sup>th</sup> March, 2019 be approved as a correct record and signed by the Chair.

### 5. CORPORATE GOVERNANCE CODE

The Corporate Director, Governance and Community Strategy, was in attendance to brief the Committee on the key points of the Council's Corporate Governance Code, which sets out the key systems, policies and procedures that comprise the Authority's governance framework, to be adhered to by both officers and elected Members..

The Code is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' issued in 2016/17; is reviewed and updated regularly as required, and approved by the Corporate Leadership Team and Accounts and Audit Committee, to reflect any changes in governance arrangements.

This report before the Committee set out the proposed updated Code, reviewed by Corporate Leadership Team and updated to take account of developments in 2018/19. It set out the seven key governance principles underpinning the Council's operations, and the detailed activities, procedures and structures which supported them.

An opportunity was provided for Members to raise questions on the report's content. These concentrated on the review timescale for the Code, the nature of changes made and mechanisms to secure staff engagement.

RESOLVED –

- (1) That the content of the current draft Annual Corporate Governance Code be noted.
- (2) That it be noted that the final version of the Code will be presented for approval by this Committee in July 2019.

### 6. 2018/19 DRAFT ANNUAL GOVERNANCE STATEMENT

The Corporate Director, Governance and Community Strategy, was in attendance to introduce the Council's Draft 2018/19 Annual Governance Statement (AGS), prepared in order to meet the statutory requirement set out in the Accounts and Audit Regulations 2015. It set out detail of the Council's arrangements for compliance with the principles established by the Corporate Governance Code (referred to in the previous Minute).

The content of the current draft AGS had been reviewed and agreed by the Corporate Leadership Team, and reflected significant changes to the governance environment identified and now set out in the Statement. It had been updated following feedback received from the Council's Internal Audit service.

Both the Annual Governance Statement and Corporate Governance Code had been developed taking into account the updated framework and guidance on the AGS issued by CIPFA/SOLACE in April 2016.

*Accounts and Audit Committee (19.6.19)*

Members were briefed on those significant corporate issues which were likely to feature in the current year; and an opportunity was provided for Members to raise questions on the report's content. It was noted that an updated report was to be presented to the Committee at its July meeting.

RESOLVED –

- (1) That the content of the draft Annual Governance Statement be noted.
- (2) That it be noted that the final version of the Annual Governance Statement will be presented to this Committee for approval in July 2019 following sign off by the Chief Executive and Leader of the Council.

## **7. EXTERNAL AUDIT PROGRESS REPORT AND 2019/20 FEE LETTER**

Karen Murray and Tommy Rooney (Mazars) were in attendance to introduce a report setting out current progress in delivering the responsibilities of the External Auditor. Interim detailed work and testing had been undertaken, and there were no significant matters which currently required reporting to the Committee. Further reports would be made to the Committee in due course, in the normal way. Members' attention was drawn to a schedule of national publications of potential interest to the Committee in carrying out its work. The Committee was also advised of the background to the 2019/20 External Audit Fee Letter, including an agreed addition to the 2018/19 provisional fee arising from work undertaken following an enquiry from an elector.

RESOLVED – That the content of the report be noted.

## **8. 2018/19 TREASURY MANAGEMENT ANNUAL PERFORMANCE REPORT**

The Executive Member for Finance and Investment and Corporate Director, Finance and Systems submitted a report setting out the out-turn position in relation to treasury management activities undertaken during 2018/19. For the benefit of new Members of the Committee, the Deputy Director of Finance provided an introduction to the main key features of treasury management activity, and the processes and timescales for reporting to the Committee. An opportunity was provided for members to raise questions on the content of the report. These focussed on clarifying the significance of a number of technical terms, and on the checks, balances and review mechanisms associated with treasury management decision making.

RESOLVED – That the Committee advise the Council to note:

- That no prudential and treasury indicators were breached during 2018/19.
- The Treasury Management activities undertaken in 2018/19.

### **9. 2018/19 ANNUAL HEAD OF INTERNAL AUDIT REPORT**

The Audit and Assurance Manager submitted a report which provided a summary of the work of the Audit and Assurance Service during 2018/19 and an opinion on the overall adequacy and effectiveness of the Council's control environment, encompassing internal control, risk management and governance, during 2018/19. In discussion, Members raised queries regarding the criteria used for determining the overall satisfaction level, the process for reviewing areas of particular concern or where recommendations had only been implemented in part, and the nature and extent of work undertaken outside the specific Audit Plan, on a responsive basis.

RESOLVED – That the content of the report be noted.

### **10. ACCOUNTS AND AUDIT COMMITTEE 2018/19 ANNUAL REPORT**

The Audit and Assurance Manager drew attention to the key features of a report of the Committee's 2018/19 Chair and Vice-Chair, presenting the Committee's Annual Report which was to be referred to Council. An opportunity was provided for Members to raise questions on the report's content.

RESOLVED – That the content of the report be noted.

### **11. ACCOUNTS AND AUDIT COMMITTEE 2019/20 WORK PROGRAMME**

The Audit and Assurance Manager introduced a report setting out the proposed work plan for the Committee for the 2019/20 municipal year, noting the plan's intentionally flexible and responsive character. In the light of Members' interest in the area of Business Continuity, it was noted that this would generally feature within the broader Strategic Risk Register report, though, in accordance with Members' discussion at the previous meeting, a more focussed report could be brought to the Committee if desired. It was noted that a specific update on cyber security was planned for the Committee's meeting in March 2020. In discussion, it was agreed that it would be helpful for the relevant reports / presentations from the March 2019 meeting to be circulated to these Members who had joined the Committee in the interim.

RESOLVED – That the 2019/20 work programme for the Committee be approved.

The meeting commenced at 6.30 p.m. and finished at 7.36 p.m.