

# MINUTES OF AUDIT AND STANDARDS COMMITTEE

Monday, 16 November 2020  
(6:00 - 6:38 pm)

**Present:** Cllr Princess Bright (Chair), Cllr Adegboyega Oluwole (Deputy Chair), Cllr Simon Bremner, Cllr Josie Channer, Cllr Kashif Haroon and Cllr Mohammed Khan

**Also Present:** Stephen Warren

**Apologies:** Cllr Irma Freeborn

## 38. Declarations of Interest

There were no declarations of interest.

## 39. Minutes - 21 September 2020

The minutes of the meeting held on 21 September 2020 were confirmed as correct, subject to the following amendments:

- (i) The statement under Item 36, "BDO and Council officers had not been procrastinating; the delay behind the audit of the group accounts was due to their sheer complexity, as explained at previous meetings", should read:

"BDO and Council officers had not been procrastinating; the delay behind the audit of the group accounts was due to the number of issues arising during the course of the audit, including those arising from having a complex group structure, as explained at previous meetings."

and

- (ii) The statement under Item 36, "BDO were the Council's new auditors, which meant that they had to start from scratch...", should read:

"This was the first time the group subsidiaries' accounts had been consolidated, so the Finance team had to start from scratch..."

## 40. Annual Governance Statement

The Head of Assurance (HOA) presented a report on the Council's Annual Governance Statement for 2019/20. Challenges for the years 2018/19 and 2019/20 were identified, as well as actions and key progress that had been made against these areas to mitigate any issues.

The Chair thanked the HOA for a well-written and balanced report.

The Committee **approved** the report.

#### **41. Internal Audit Report 2020/21 - Quarter 1 and Quarter 2**

The Council's HOA presented a report which provided an update on Quarter 2 of Internal Audit's work and progress against the Internal Audit Plan as of 30 September 2020, with a number of changes having been made to the original plan for 2020/21.

In response to a question from the Committee, the HOA stated that LiquidLogic (a software programme which can produce automated reports for key stakeholders in relation to social care and education management information) received a limited assurance rating but that one of the actions originally agreed by management had proven unfeasible. This was because the service and HOA had determined that reviewing and monitoring produced and shared reports on an ongoing basis would be too resource demanding and cumbersome. The cost of control of this action was therefore deemed to be unfeasibly high and the risk accepted. The HOA emphasised that other actions that had arisen from the Internal Audit Report had been implemented and that the report presented at today's Committee detailed the action that was outstanding, with progress as to the others having already been reported on by the HOA at a previous meeting (minute 30, 27 July 2020 refers).

The Committee **resolved** to note the report.

#### **42. Counter Fraud 2020-21: Quarter 2 Report**

The Council's HOA presented a report which provided an update on Quarter 2 of the Corporate Fraud and Housing Investigations teams' work.

In response to several questions from the Committee, the HOA outlined the Council's Whistleblowing Policy that set out the protections that the Council could and could not make to individuals coming forward. There was also a named Whistleblowing Officer that these individuals could approach. If any questions were raised by the individual as to the confidentiality of their allegations and as to their safety, the Council would refer them to this policy. In some cases, allegations were also made anonymously. The HOA stated that anonymous reports were more difficult to work with than those that came from known sources, as the team were more able to trust known sources and liaise with these reporting individuals to collate more information. Unknown sources meant that the team had less information to work with and were unable to liaise with reporting individuals to gather more information.

The HOA also confirmed that the number of reported allegations of fraud overall had dropped during the Covid-19 pandemic; however, the team were currently investigating some irregular business grants claims relating to funding available to support businesses during the period that restrictions were in place to control the pandemic. Much of the team's work at the start of the restrictions had centred around disseminating information for Council officers around what to look out for and how to safely amend Council business practices to help to prevent fraud.

The Committee **resolved** to note the report.

#### **43. Corporate Risk Register Update**

The HOA delivered a report on the Council's Corporate Risk Register, with an update on how risk continues to be monitored and managed at the most strategic level. There were 14 corporate risks identified in the Register, which were outlined in the report along with their current statuses.

The Independent Advisor to the Committee praised the brevity of the Risk Register, which provided a better focus as a useful tool for the Council's Senior Management.

The Committee **resolved** to note the report.

#### **44. Counter Fraud Policies & Strategy 2020**

The HOA presented a report on the Counter Fraud Policies and Strategy 2020, outlining the changes that had been made to it in relation to the Regulation of Investigatory Powers Act Policy, as well as more minor changes that reflected the evolving nature of the Council and its structure.

The Independent Advisor to the Committee commented that going forward, it may be helpful for Members if officers could provide annotated versions of any amended policies to show what had been changed.

The Committee **resolved** to note the report.

#### **45. Standards Complaints Update**

The Head of Law presented a report updating the Committee on complaints received against Members of the Council.

In response to a question, the Head of Law confirmed that the usual practice was to update the Committee when a complaint had reached the next milestone in the complaints process.

The Committee **resolved** to note the report.

#### **46. Work Programme 2020/21**

The Chair stated, in relation to the external audit of the Council's 2019/20 accounts, that she did not wish for the issues and delays that occurred during the 2018/19 accounts audit to recur. The Committee's Work Programme now included an item on the 'Timetable for 2019/20 Accounts External Audit'; however, in addition to this, she had asked officers to schedule meetings with her to take place in February and March 2020, when the Committee was not due to meet, to enable her to be kept updated as to the progress of the 2019/20 accounts audit.

The Chair informed the Committee of the following changes that had been made to the Committee's Work Programme 2020/21, subject to the Committee's agreement:

- The inclusion of an item on the 'Lessons learnt from the 2018/19 Accounts

- Audit' which would be presented at the 18 January 2021 meeting;
- The inclusion of an item on the 'Timetable for the 2019/20 Accounts External Audit' which would be presented at the 18 January 2021 meeting;
  - The inclusion of a 'Report on implications of the Redmond Review on the Council and the Audit & Standards Committee' which would be presented at the 18 January 2021 meeting;
  - The rescheduling of the 'Approval of 2019/20 Accounts' item from the 16 November 2020 meeting to the 27 April 2021 meeting; and
  - The inclusion of an item on the 'Audit Completion Report (ISA260) for 2019/20 Accounts' which would be presented at the 27 April 2021 meeting.

The Committee **resolved** to note the Work Programme.