476. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Annabel de Capell Brooke, Richard Gell and Sylvia Hobbs.

477. **MINUTES**

The minutes of the meeting held on 29 January 2020 were approved as a correct record.

478. **DECLARATIONS OF INTEREST**

No declarations of interest were made.

479. **QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3**

No questions were submitted under Procedure Rule 10.3.

480. **CHANGE TO ORDER OF AGENDA**

The Chairman advised that there would be a change to the order of the agenda and Item 10, Environmental Services Risk Review, would be considered first.

481. **ENVIRONMENTAL SERVICES RISK REVIEW**

The Head of Environmental Services provided Members with a verbal update on the corporate response to COVID-19, including the measures taken to ensure the safety of the staff, public and wider community. The Chairman requested that his thanks be passed onto staff for their hard work and success at adapting to the situation in such a short space of time.
RESOLVED:

That the verbal report be noted

Councillor Sylvia Hughes joined the meeting
The Head of Environmental Services left the meeting

482. STATEMENT OF ACCOUNTS 2018/19

The Interim Head of Resources submitted a report of the Statement of Accounts for the year ended 31 March 2019 which gave an update on the audit and presented amendments to the draft statement for the Committee’s approval.

The External Auditor advised the Committee that a disclosure regarding COVID-19 would be reviewed before it could be signed off. The Committee was also advised that there would be a delay in issuing the value for money certificate due to a known ongoing issue, but that this had no relevance to any balance in the statement or any details from 2018/19. The certificate would be issued once the matter had reached a resolution. There was one unadjusted misstatement, which the Committee noted.

RESOLVED:

- That the amendments to the Statement of Accounts for the year ended 31 March 2019 be approved.
- That authority be delegated to the Chief Finance Officer, in consultation with the Chairman of the Governance and Audit Committee, to make any further amendments necessary to the Statement of Accounts 2018/19 prior to publication.
- That the contents of the Audit Results Report produced by the Council’s External Auditors, EY, be noted.

(Reason – to comply with the requirement of the Accounts and Audit Regulations)

483. INTERNAL AUDIT – PROGRESS AND PERFORMANCE

The Head of Internal Audit presented a report which provided the Committee with information on the progress made by Internal Audit on the delivery of the Annual Internal Audit Plan for 2019/20 and associated measures of performance, to 6 March 2020. Fieldwork was complete or underway on a number of audit assignments, with 100% of the assignments being complete or in progress.

Since the last meeting of this Committee, a further two audit reports had been finalised. The Main Accounting System, for which no areas of significant risk or control weaknesses had been identified in the work completed to date, and Temporary Workers, which had received limited assurance in respect of the control environment. An action plan had been put in place to resolve these matters.

The Committee was advised that there were 46 audit recommendations outstanding, with 100% of the recommendations underway.
RESOLVED:

That the progress and performance of the Internal Audit Service and the key findings from audits delivered during the period be noted

(Reason: to review the performance of Internal Audit against the agreed plan and any key findings regarding the council’s risk management and control arrangements in accordance with the Public Sector Internal Audit Standards.)

484. **LGSS INTERNAL AUDIT PLAN 2020/21**

The Head of Internal Audit submitted the Audit Plan for 2020/21 which sought Committee approval of the Internal Audit Plan for 2020/21 in line with the requirements of the Public Sector Internal Audit Standards.

The Committee was advised that due to the impact of COVID-19, work was unable to progress on some aspects of the Internal Audit Plan, and flexibility would be required to complete the plan with minimal disruption and be dependent upon the availability of the relevant officers. A refreshed plan, incorporating these elements would be brought back to this Committee later in the financial year. The Head of Internal Audit advised that follow up work on Cyber Security, Asset Management and GDPR would be scheduled to take place as soon as feasible to do so.

RESOLVED:

(1) That the Audit Plan for 2020/21 be approved.

(2) That authority be delegated to the S151 Officer, in consultation with the Chairman and Vice Chairman of the Governance and Audit Committee, to agree amendments to the Plan during the financial year, if required.

(Reason – To demonstrate that the Committee is discharging its responsibilities in conformance with the Public Sector Internal Audit Standards).

485. **GRANT CERTIFICATION 2018/19**

The Committee received and considered a report by the Interim Head of Customer & Community Services summarising the results of work undertaken by Earnst & Young LLP (EY) - the Council’s External Auditor - on the certification of the Council’s 2018/19 grant claims.

EY had carried out certification work on the Council’s Housing Benefit Subsidy claim. This involved agreeing standard rates; sample testing of benefit claims; confirmation that the subsidy claim had been prepared correctly and verifying the accurate completion of the claim form for modified scheme payments.

One error had been identified in relation to the initial testing of modified scheme payments. Further testing had been carried out on all modified scheme payments and no additional errors had been identified.
RESOLVED:
That the contents of the report and the certification of grants and returns for 2018/19 be noted.

(Reason: This is an information report which addresses the management of benefits payments by the Council).

486. RISK MANAGEMENT UPDATE – QUARTER 3 (2019/20)


The risk report for Quarter 3 2019/20 contained the following information:

- Corporate risks
- High Priority Risks (risks with high current score or very high likelihood score or very high impact score)
- Risks with ‘very high’ impact scores – by each impact measured
- Ended risks in the last quarter – there were none
- New risks in the last quarter – there was one
- Overdue actions – there was one

The Committee was advised that the Quarter 4 report to be brought to the next meeting of this Committee would include updates to all risks impacted by COVID-19.

RESOLVED:
That the current status of risks included in the report for the period to December 2019 be noted.

(Reason: To ensure the Council has an up to date and effective risk reporting process in place.)

487. URGENT ITEM

The Chairman indicated that he had agreed to the consideration, by the Committee, of the following item (Fee Scale for the Audit 2020/21 and update on 2019/20) under Section 100 (B) (4) (b) of the Local Government Act 1972, as a decision was required before the next scheduled meeting of the Committee.

488. FEE SCALE FOR THE AUDIT 2020/21 AND UPDATE ON 2019/20

The Chief Finance Officer presented a letter received from Public Sector Audit Appointments (PSAA) advising the Council of its 2020/21 audit scale fee, and advised that the fee had not increased from the previous year. It was noted that the fee could be subject to fee variations driven by a risk based assessment from the External Auditor (EY), with value for money being a key consideration. The Committee was also advised that due to the impact of COVID-19, dates had been pushed back for the delivery of audits, with the revised date for the publishing of audited accounts set as 30th November 2020. The External Auditor would meet with the Chief
Finance Officer to discuss the fees and set out his own assessment of what the fees of the 2019/20 and 2020/21 would be.

**RESOLVED:**

That the Committee noted the contents of the letter received from PSAA.

**489. EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:**

That the public and press be excluded from the meeting for the consideration of the following item (Minutes of the Governance & Audit Working Party) as exempt information as defined under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, was likely to be disclosed.

**490. GOVERNANCE & AUDIT WORKING PARTY UPDATE**

Members received and considered the minutes of the Governance & Audit Working Party held on 12 February 2020. They were not for publication in accordance with Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Members expressed concern at some of the outstanding issues and were assured by the Interim Head of Resources that these would be prioritised and an action plan would be developed to resolve them.

**RESOLVED:**

That the revised Terms of Reference of the Working Party, as set out in the minutes, be approved.

Chairman