

# GOVERNANCE AND AUDIT COMMITTEE

**Date:** 23 September 2020

**Venue:** Virtual Meeting

**Time:** 7.30pm

**Present:** Councillors: Peter Wathen (Chairman)  
Alex Smith (Vice Chairman)

Rosalie Beattie  
Sylvia Hobbs Peter Tomas  
Richard Gell Robin Underwood

**External attendees:** Rachel Ashley-Caunt (Head of Internal Audit)

## 177. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Annabel De Capell Brooke.

## 178. **MINUTES**

The minutes of the meeting held on 17 June 2020 were approved as a correct record.

## 179. **DECLARATIONS OF INTEREST**

No declarations of interest were made.

## 180. **QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3**

No questions were submitted under Procedure Rule 10.3.

## 181. **INTERNAL AUDIT PROGRESS UPDATE AND RECOMMENDATION MONITORING**

The Head of Internal Audit presented a report which provided information on the progress made by Internal Audit on the delivery of the Annual Internal Audit Plan for 2020/21 and associated measures of performance.

It was reported that over 31% of the audit assignments were complete or in progress. This was despite the Internal Audit team ceasing work on any assignments which could have posed a disruption to Council services during quarters one and two of the financial year, and work had now recommenced in areas where it had been agreed with senior management that fieldwork would not divert resources from key pandemic response roles and could be delivered remotely.

The Internal Audit team had provided support to the Council during the pandemic; including advice on the payment and controls on business grants, and sharing alerts and intelligence regarding fraudulent claims received by other authorities.

The Internal Audit team had also supported the Council in conducting an assessment against National Audit Office guidance on financial management during the Covid19 pandemic.

The Committee was advised that the Enterprise Centre had received a substantial rating in respect of compliance and the control environment, and a minor rating regarding organisational impact.

It was noted that there had been some delays implementing the audit recommendations due to earlier ICT issues, the impact of COVID19 and remote working. However, additional resources had been added to the ENCOR team, and the recommendations would now be progressed.

**RESOLVED:**

To note the progress and performance of the Internal Audit service and the key findings from audits delivered during the period

*(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)*

**182. RISK MONITORING UPDATE**

The Finance Manager presented a report which provided an update on the council's risk register for Quarter 1 Risks 2020/2. The report contained information on; corporate risks; high priority risks; risks with very high impact scores; risks ended in the last quarter; new risks; and overdue actions.

Members raised concerns regarding the collection rate for both council tax and business rates and were advised that council tax collection rates were less than 0.5% down, with the Revenues team monitoring any potential further impact as the furlough scheme comes to an end. Business rate collections were around 5% down on the projection for the whole year, which reflected the impact of COVID19 on businesses. At the start of the pandemic, it was not felt appropriate to proactively chase business debts; however the standard debt collection processes had been reverted back to in recent weeks. An update would be provided at the next meeting of this Committee, and an update would also be provided to Finance and Performance Sub Committee.

**RESOLVED:**

To note the status of risks included in the report for Quarter 1 2020/21.

*(Reason: To ensure the council has an up to date and effective risk reporting and governance process in place)*

**183. RISK MANAGEMENT UPDATE – COVID 19**

The Waste Manager gave a verbal report, which provided an update on the risk management measures in respect of COVID-19.

The Committee was advised that the corporate risk assessment had progressed, with officers who can and want to, working in the office. Most staff had had personal risk assessments carried out, including those working from home as well as in the office.

Checks would be carried out to ensure the Council were still compliant with the latest COVID19 regulations. There were banners on the waste trucks, and the waste team had assisted in the delivery of leaflets across the district containing COVID19 guidance.

**RESOLVED:**

To note the verbal update

**184. ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE**

The Finance Manager gave a report which reviewed and recorded the activities of the Committee in an annual report in line with best practice. The Annual Report summarised the work of the Committee in the 2019/20 municipal year and provided details of the actions undertaken as a result of the review of the effectiveness of the Committee undertaken in June 2019.

The Committee was advised that there would be a training session once the draft 2019/20 accounts were available, and the training date would be circulated once confirmed.

**RESOLVED:**

To approve the annual report of the Governance and Audit Committee

*(Reason: To ensure the Governance and Audit Committee is following good practice guidelines on performance and effectiveness)*

**185. UPDATE ON RECOMMENDATIONS OF THE ASSET MANAGEMENT AUDIT REPORT**

The Head of Internal Audit gave a report which provided an update on the implementation of actions arising from the 2019/20 Asset Management audit report.

The Asset Management audit 2019/20 had received opinions of limited assurance for both the control environment and compliance, and a major organisational risk score. 18 of the actions arising from the report had been closed, 17 actions had been implemented, one action not yet due for implementation and five actions which were overdue for completion. All of the actions within the audit report would be subject to audit testing during the current financial year.

The Committee was advised that due to COVID19, the planned work with Corby had not taken place, and the Council had sought additional expertise to carry out the necessary work. The focus of work was the Council's estate and leases, and this would be a priority over the next six months. Officers advised that two leases were currently being negotiated, and that this would give an understanding of the roles and work required and form a basis to work against with the remaining leases going forward.

The original leases had been collated onto a spreadsheet and a tracker for each lease would be put in place to monitor progress. Inspections had been carried out at several of the units, and the team would work with the tenants to offer support and to revise rent costs as appropriate. The Facilities Management team were thanked for their hard work and efforts.

**RESOLVED:**

To note the current status of the audit recommendations arising from the 2019/20 Asset Management audit

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

**186. EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:**

That the public and press be excluded from the meeting for the consideration of the following item (Asset Management and Cyber Security Update) 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.

**187. ASSET MANAGEMENT AND CYBER SECURITY UPDATE**

Members received and considered the minutes of the Governance & Audit Working Party held on 8<sup>th</sup> September 2020. They were not for publication in accordance with Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**RESOLVED:**

That the minutes of the Governance & Audit Working Party be noted.

**Chairman**