

## **AUDIT AND GOVERNANCE COMMITTEE**

### **MINUTES OF MEETING**

**Monday, 9 March 2020**

**PRESENT:** Councillors Sultan Ali (in the Chair), Ali Ahmed, Sultan, James Gartside, Hussain, Martin, Nickson and Williams.

Craig Ainsworth (Independent Person); Jaime Sanderson (Independent Member)

**OFFICERS:** D. Wilcock (Monitoring Officer), J. Murphy (Chief Finance Officer), I. Corbridge (Head of Internal Audit), M. Nixon (Head of Risk), B. Jorgenson (Data Innovation & Intelligence Manager) and M. Garraway (Committees & Constitutional Services Manager)

**APOLOGIES FOR ABSENCE:** Councillor Malcolm and Councillor Rashid

#### **37 APPOINTMENT OF CHAIR**

**Resolved**

**That Councillor Sultan Ali be appointed to Chair the meeting in the absence of the Chair and Vice Chair.**

#### **38 MINUTES**

**Resolved**

**That the minutes of the meeting of the Audit & Governance Committee held on 8 January 2020 be approved as a correct record..**

#### **39 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **40 COUNCIL SIZE REPORT FOR THE ELECTORAL REVIEW OF ROCHDALE**

Consideration was given to a report of the Electoral Review Member Steering Group recommending the Committee authorises the report be presented to Council for approval of the Council Size Submission to the Local Government Boundary Commission for England.

The Local Government Boundary Commission for England (LGBCE) was undertaking a review of Rochdale Borough Council's local government electoral arrangements. The outcome of the review would be implemented for the 2022 Council elections. As part of the process the Council has undertaken to agree a joint submission on its future size.

The Council's submission had been informed by reviewing Councillor's meeting and decision-making commitments, casework loads, community engagement work, forecast population growth, engagement with all Councillors and comparisons to other local authorities.

**Resolved**

**That the Audit and Governance Committee recommends that Council approves the report for submission to the Local Government Boundary Commission for England.**

**41 EXTERNAL AUDIT STRATEGY MEMORANDUM 2020**

The Council's external auditors submitted their Audit Strategy Memorandum for the year ending 2020 for consideration by the Committee.

In presenting the report, Members were advised on key factors including:

- The scope of the audit and respective responsibilities of the Council and auditors;
- Materiality thresholds in relation to the Council's financial statements, including financial parameters for reporting minor errors to the Committee and the value which would require the auditors to issue a qualified opinion on the accounts;
- Areas of risk, which were noted as being common to all local authorities;
- The approach to value for money with particularly focus on Health and social care integration, financial pressures and the Councils response to the OFSTED inspection of children's services.

Members of the Committee raised questions and sought assurance on the management response to areas raised as concerns and detailed within section 5 of the submitted report.

**Resolved**

**That the External Audit Strategy Memorandum for 2018-19 be noted.**

**42 EXTERNAL AUDIT PROGRESS REPORT**

The Committee received a progress report from the Council's external auditors, noting that the focus of their work had been around planning and preparation for the upcoming audit process.

In response to a question on planning for the annual audit, Members were assured that there were no concerns around the prescribed timescales.

**Resolved**

**That the report be noted**

**43 INTERNAL AUDIT QUARTER 3 REPORT 2019/20**

Consideration was given to a report of the Head of Internal Audit summarising the work of the Internal Audit team during the third quarter of 2019/20. Internal Audit was able to provide either substantial or adequate assurance over the effectiveness of risk management in all the audits completed during the period. Furthermore, Internal Audit has completed 74% of the agreed Audit Plan which achieves the agreed target.

The Counter Fraud Team achieved £63,372 in identifying savings and overpayments during the period (£172,758 for the 9 months ended 31

December 2019) together with two sanctions comprising of one caution and one fine for fraud.

**Resolved**

**That the report be noted.**

**44 INTERNAL AUDIT PLAN 2020/21**

Consideration was given to a report of the Head of Internal Audit seeking approval of the proposed Internal Audit Plan for 2020/21 which had been developed in accordance with the Internal Audit Charter and with close liaison with both the Leadership Team and Senior Management to identify and evaluate the key areas of risk.

The Internal Audit Plan helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The focus of Internal Audit work includes the financial systems, operational and management controls and also includes risk management and corporate governance as a contribution to the proper, economic, efficient and effective use of resources.

**Resolved**

**That approval be given to the Internal Audit Plan 2020/21.**

**45 RISK MANAGEMENT PROGRESS REPORT - Q3 2019/20**

Consideration was given to a report by the Head of Risk summarising Risk Management and Insurance work during Quarter 3 of the 2019/20 year.

The report highlighted updates on project plans to implement improvements to the Pentana software system and the latest developments on management of priority risks under Integrated Health and Social Care services.

Members were informed that the Insurance Team achieved a claims cost mitigation figure of £252,661.78 for the claims closed in the quarter. Cyber Insurance has been procured for the Council to provide cover for legal liability, costs and response services required in the unlikely event of a data breach incident.

**Resolved**

**That the report be noted.**