

## **AUDIT AND GOVERNANCE COMMITTEE**

### **MINUTES OF MEETING**

**Monday, 28 June 2021**

**PRESENT:** Councillor Zaheer (Chair); Councillors Ali, Brett, Gartside, Hussain, Martin and Philip Massey

**OFFICERS:** J. Murphy (Chief Finance Officer), A. Ibrahim (Monitoring Officer), S. Knowles (Head of Internal Audit) and A. James (Resources Directorate)

**ALSO IN ATTENDANCE:** C. Ainsworth and M. Carruthers-Watt (Independent Persons) and A. Peyton (Mazars)

#### **36 APOLOGIES**

Apologies for absence were received from Councillor Ali Ahmed and Councillor Donna Williams and J. Sanderson.

#### **37 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **38 URGENT ITEMS OF BUSINESS**

There were no urgent items of business.

#### **39 MINUTES**

Resolved:

That the Minutes of the meetings of the Audit and Governance Committee held on 15<sup>th</sup> March 2021 and 30<sup>th</sup> March 2021 be approved and signed as correct records.

#### **40 INTERNAL AUDIT QUARTER FOUR REPORT - 2020/2021**

The Committee considered a report of the Head of Internal Audit which summarised the work of the Internal Audit team during the fourth quarter of 2020/2021 (January – March 2021).

A significant amount of unplanned time was taken up early in the financial year by Internal Audit's response to issues arising from the pandemic and, given the circumstances, this was considered the most appropriate and effective use of resource. Although support for Covid-19 initiatives has significantly reduced, a small amount of Internal Audit time is still being utilised.

The impact of the pandemic has meant that amendments had to be made to the Audit Plan, with some audits deferred until 2021/22 and other audits being introduced. Details of these were given in the Q3 Internal Audit Report

One 'limited assurance' audit was issued in Q4. This was due to the large number of recommendations rather than one specific incident.

Resolved:

That the report be noted.

**41 INTERNAL AUDIT ANNUAL REPORT 2020/21**

The Committee considered the report of the Head of Internal Audit, which summarised the work of Internal Audit during 2020/21 and presents the Head of Internal Audit's opinion on the effectiveness of the Council's overall control environment, governance and risk management for 2020/21.

Audit assurance opinions issued on the adequacy of the internal controls were recorded as 'adequate' or 'substantial' in 97% of cases. One audit was awarded a 'limited' assurance opinion. This did not relate to the programme of material financial system audit reviews and was awarded due to the relatively high number of high rated recommendations.

On this basis, the Head of Internal Audit concluded that an adequate level of assurance can be given that the Council's overall framework of governance, risk management and control remains appropriate and has been complied with.

Resolved:

That the report be noted.

**42 INTERNAL AUDIT ANNUAL FRAUD REPORT 2020/2021**

The Committee considered the report of the Head of Internal Audit which provided a summary for those charged with responsibility for governance on the outcome of proactive and reactive anti-fraud and investigation work during 2020/21, with the main focus being work delivered by Internal Audit, which also includes the Council's Counter Fraud Team.

It also outlined some of the areas of emerging fraud risk and the Council's strategic and operational arrangements for managing these risks.

It was agreed that the manager of the Counter Fraud Team be invited to a future meeting to provide an update on the work of the Team.

Resolved:

That the report be noted.

**43 RISK MANAGEMENT ANNUAL REPORT 2020/21**

The Committee considered the report of the Head of Internal Audit which

Provided a summary of Risk Management and Insurance work during the 2020/21 year.

Levels of risk had been closely monitored during the Council's response to the Covid-19 pandemic in 2020/21. Uncertainty of the impact in areas such as financial management and children's social care caused risks to be escalated to Red, with both now returning to their pre-pandemic levels.

The Insurance Team is successfully handling incoming claims and the placement of the Council's insurance programme cost-effectively. The report confirms how the team has achieved a total cost-mitigation on settled claims for the year of £1,998,988.

Resolved:

That the report be noted.