

# Minutes

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## **Audit and Scrutiny Committee Tuesday, 28th January, 2020**

### **Attendance**

Cllr Nolan (Chair)	Cllr Hirst
Cllr Tanner (Vice-Chair)	Cllr Mrs McKinlay
Cllr Dr Barrett	Cllr Naylor
Cllr Haigh	Cllr Parker

### **Apologies**

Cllr Chilvers

### **Substitute Present**

Cllr Mrs Fulcher

### **Also Present**

Cllr Hossack  
Cllr Mrs Pound

### **Officers Present**

Steve Summers	-	Chief Operating Officer
Jacqueline Mellaerts	Van	- Director of Corporate Resources
Janine Combrinck	-	Internal Audit, BDO
Alistair Greer	-	Principal Accountant (Financial Reporting)
Neil Harris	-	External Audit, E&Y
Tracey Lilley	-	Interim Director of Housing & Enforcement
Greg Campbell	-	Director of Operations
Zoe Borman	-	Democratic Services Officer

### **343. Apologies for Absence**

Apologies were received from Cllr Chilvers and Cllr Fulcher was substitute.

### **344. Minutes of the previous meeting**

The Minutes of the Audit and Scrutiny meeting held on 9<sup>th</sup> October were signed as a true record.

Members asked for an update on when the Constitution Working Group was going to meet. Mr Summers will advise members of the Audit & Scrutiny Committee outside of the meeting accordingly.

### **345. Audit Results of Statement of Accounts 2018/19**

The Council's External Auditors, Ernst & Young have substantially completed their audit of the Council's Statement of Accounts for 2018/19. This report presented their conclusions and the final Financial Statements.

External Audit proposed to issue an unqualified audit opinion for the Statement of Accounts 2018/19 and an unqualified value for money conclusion.

Mr Neil Harris was present at the meeting and summarised the report. He thanked officers and the finance team for their input and support throughout the audit.

Members were appreciative of officer's work in relation to the Statement, however, they raised concerns regarding the difference in valuation of the investment property amounting to £242K. Mr Harris confirmed the Council had responded appropriately ensuring a revised valuation was sought. Measures have been put in place for an earlier valuation of SAIL assets for future audits.

Regarding audit fees, Members were assured that negotiations were taking place to ensure an appropriate fee was obtained reflecting any additional work and allowing for the lateness of the audit, taking advice from PSAA if necessary.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendations in the report.

Following a full discussion a vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY:**

- 1. To consider the Audit Results Report 2018/19 in Appendix A and note the conclusions contained in it.**
- 2. Approve the Letter of Representation in Appendix B, for signing by the Director of Corporate Resources.**
- 3. Approve the Statement of Accounts for 2018/19 in Appendix C, for signing by the Chair of the Committee and the Director of Corporate Resources.**

### **Reason for Recommendation**

To enable the Council to conclude the Statement of Accounts process for 2018/19.

The Statement of Accounts were signed on behalf of the Council.

### **346. Internal Audit Progress Report 2019/20**

This report was intended to inform the Audit and Scrutiny Committee of progress made against the 2019/20 internal audit plan.

The following reports have been finalised since the last Committee:

- Housing benefits (2019/20) (Moderate/Moderate)
- General Data Protection Regulations Operational (2019/20) (Substantial/Substantial)
- Leisure Services (2019/20) (Moderate/Substantial)

Janine Combrinck was present at the meeting and summarised the report.

Members were pleased with the progress achieved to date in particular with regards the outstanding recommendations.

Members requested clarification regarding 17/18 Partnerships rec 3: on page 219 of the report:

“The approval status should be verified for all existing partnerships recorded in the Partnership Register. Where approval was not obtained, the ‘Partnership Checklist’ and ‘Partnership Assessment Tool’ should be completed and submitted for retrospective approval from the Head of Service or relevant Committee as appropriate.”

At the end of the meeting, and having looked into the original recommendation, Ms Combrinck was able to confirm to Members that the Council’s partnership policy and procedures states that for any new partnership to be entered into, there has to be approval from the relevant Committee or by the Head of Paid Service. At that time, there was no evidence of this and therefore retrospective approval had to be sought. In order for those recommendations to be completed, evidence needs to be shown that the retrospective approval took place.

Following a full discussion Members were asked:

- 1. That the Committee receives and notes the contents of the Internal Audit Progress Report attached in Appendix A.**

2. **That the Committee receives and notes the contents of the Internal Audit Follow Up Report attached in Appendix B.**

**Reasons for Recommendation**

To monitor the progress of work against the internal audit plan.

**347. Risk Management**

The report updates members of the Audit & Scrutiny Committee on the status of the Council's 2019 Strategic Risk Register and high-level Operational Risks.

One risk on the Strategic Risk Register had been decreased all other risk scores remained the same.

Of the high level operational risks, four risks has decreased, two risks have increased and there was one new risk, other risk scores had remained the same.

Members raised concerns regarding the Planning Portal being unobtainable during the Christmas period. Officers agreed to investigate as a potential operational risk.

Following a full discussion

**Members were asked:**

1. **To note the Strategic Risk Register, as shown in Appendix A.**
2. **To note the risk scores recorded for the high-level Operational Risks, as shown in Appendix B.**

**Reasons for Recommendation**

Risk Management continues to be imbedded quarterly within the Senior Management Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.

**348. Risk Management - 9th October 2019**

At the previous Audit & Scrutiny Committee members raised concerns regarding the lateness of the report and asked that it be brought back to the next meeting. The Chair informed members that this was an information only item, the report had been updated to reflect this.

The report updated members of the Audit & Scrutiny Committee on the status of the Council's 2019 Strategic Risk Register and high-level Operational Risks.

Two risks on the Strategic Risk Register have been decreased all other risk scores had remained the same.

One risk had increased, and one risk had decreased of the high level Operational Risks, other risk scores had remained the same.

Officers have carried out an EU Exit risk assessment which was included in Appendix C.

**Members are asked:**

- 1. To note the Strategic Risk Register, as shown in Appendix A.**
- 2. To note the risk scores recorded for the high-level Operational Risks, as shown in Appendix B.**

**Reasons for Recommendation**

Risk Management continues to be embedded quarterly within the Senior Management Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.

The Risk & Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

**349. Formal Complaints & Performance Indicator Working Group**

This report submits the report and recommendations of the Formal Complaints and Performance Indicators Working Group for consideration by the Audit & Scrutiny Committee.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendation in the report.

Members requested that in addition to investigating complaints by the Council whether the process in relation to complaints against individuals and Members could be reviewed, as some of these complaints were taking a long time to be resolved. Officers said this could be picked reviewed by the new Director of Law and Governance.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY:**

**1. To note the Formal Complaints and Performance Indicators Working Group report, as attached at Appendix A, and agree the recommendations contained within it.**

**Reasons for Recommendation**

To ensure the Council provides modern and effective customer services.

**350. Scrutiny Work Programme 2019/20**

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. This report provides an update of the current scrutiny work programme and is set out in Appendix A.

In addition, legislation requires that an Annual report is made to the Committee on the work of the Community Safety Partnership. This report is normally made at the March committee each year.

At the Audit and Scrutiny Committee on the 18<sup>th</sup> June 2019, Min.51 refers, it was agreed that a request form be sent for scrutiny matters be made available to all members immediately following the meetings. This action was undertaken and to date no responses have been received.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendation in the report.

Members requested that the relationship with SEPP and other partnerships be added to the scrutiny programme.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY:**

**1. That the Committee considers and agrees the 2019/20 Scrutiny work programme as set out in Appendix A.**

**Reasons for Recommendation**

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee.

**351. Urgent Business**

There were no items of urgent business.

The meeting concluded at 20.15.

