

Minutes of the Meeting of the Audit Committee

Date: Tuesday, 28 July 2020

Time: 19:00

Venue: This meeting will be a virtual meeting and therefore will not take place in a physical location. Please see page 2 of the agenda for a link to the webcast of the meeting.

Attendees:

Mr Tommy Hyun, Councillor Shital Manro, Councillor Timothy Murtagh, Councillor Kamaljit Nagpal, Councillor Mik Sabiers, Councillor Anthony Young

1 Apologies for Absence and Substitutions

There were none.

2 Urgent Matters

There were none.

3 Declarations of Interest

There were none.

4 Matters to be Considered in Private

Agenda Item 10 contained information that was exempt from disclosure by virtue of Paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972. This information was not considered in private, as it was not necessary to discuss the details of the exempt information provided.

5 Minutes

RESOLVED:

That the minutes of the meeting held on 4 March 2020 be agreed and signed by the Chair, as a true and correct record.

6 Treasury Management Quarter 1 Update 2020/21

Bridget Uku, Group Manager, Treasury and Investments, introduced this report which updated the Committee on the Council's borrowing and investment activities for the quarter ending 30 June 2020.

Over the reporting period, all treasury management activities had been carried out within the confines of the approved limits. The report also provided information on the prevailing economic conditions over the reporting period.

In response to questions raised by the Committee with regard to investments with other Local Authorities, it was confirmed by Bridget Uku that:

- There was no real risk involved when investing in other Local Authorities.
- There was a statutory provision in place whereby the Authority that had provided the investment was paid back first.
- The current rates were low.
- The risk of short-term investments were lower than long-term.

RESOLVED:

That the Audit Committee:

- i) noted the Treasury Management activities and performance against targets for the period to 30 June 2020.
- ii) noted the Council's investment balance of £236.700m as at 30 June 2020 of which £115.000m was invested in other Local Authorities (Appendix 1 of the report).

7 Treasury Management Outturn 2019/20

Bridget Uku, Group Manager, Treasury and Investments, introduced this report which outlined the Council's borrowing and investment activities for the financial year ending 31 March 2020.

In response to questions raised by the Committee, it was confirmed by Bridget Uku that:

- There were no concerns with regard to the Council maintaining an under-borrowing position and Officers would continue to review this.
- A review was currently being carried out by the Government and it was anticipated that there would be a reduction in borrowing rates.

RESOLVED:

That the Audit Committee:

- i) noted the Treasury Management activities and performance against targets for the period to 31 March 2020.
- ii) noted the Council's investment balance of £191.800m as at 31 March 2020 of which £161.000m was invested in other Local Authorities (set out in Appendix 1 of the report).
- iii) noted the Prudential Indicators outturn for 2019/20. These have all be maintained within the limits set by full Council in February 2019 (set out in Appendix 2 of the report).

8 Statement of Accounts Update

Simon Peet, Head of Technical Finance, introduced this report which provided an update on the Council's Statement of Accounts. The update included information on the following:

- The sign-off of the 2018/19 Statement of Accounts.
- The changes to the 2019/20 Statement of Accounts timetable and publication deadlines due to the Covid-19 pandemic.
- The progress on the production of the 2019/20 Statement of Accounts and Audit.
- The audit fee scale set by the PSAA (Public Sector Audit Appointments) for 2020/21.

RESOLVED:

That the Audit Committee:

- i) noted that the 2018/19 Statement of Accounts were signed-off on 29 May 2020.
- ii) noted the changes to the statutory deadlines to publish the Unaudited 2019/20 Statement of Accounts by 31 August 2020, changes to the dates of the Public Inspection period and to publish the Audited 2019/20 Statement of Accounts by 30 November 2020.
- iii) noted the progress on the production of the 2019/20 Statement of Accounts and Audit.
- iv) noted the Audit Fee Scale agreed by the PSAA (Public Sector Audit Appointments) for 2020/21 of £128,269.

9 Head of Internal Audit Opinion 2019/20 Incorporating Quarter 4 Internal Audit & Investigation Update Report

Mike Pinder, Head of Audit and Investigations, introduced the report which provided the Committee with the Head of Internal Audits' Opinion on the Internal Audit work completed in 2019 and an update on the work of Internal Audit and Investigations for Quarter 4, 1 April 2019 – 31 March 2020.

The Committee was informed that the Head of Internal Audits' overall Opinion on the Council's system of internal control, governance and risk management was that:

- Reasonable assurance could be given that there was a sound system of internal control, designed to meet the organisation's objectives and that controls were applied consistently.
- Controls relating to key financial systems were overall concluded to be at a reasonable assurance level. This was borne out by the key financial systems work and all three reports received reasonable assurance levels. There were no thematic issues identified between the reports.

- Internal Audit work on other systems had also concluded that there was an overall reasonable level of assurance. This was based on the majority of reports receiving a positive assurance level.

RESOLVED:

That the Audit Committee:

- i) noted the performance of the Internal Audit & Investigation team and key issues arising during the period 1 April 2019 – 31 March 2020.
- ii) noted the Head of Internal Audit Annual Opinion for 2019/20.
- iii) noted no material changes to the Audit Charter were required this year.

10 Risk Management Performance Report - Quarter 1 2020/21

Mike Pinder, Head of Audit and Investigations, introduced this report updating the Committee on the review by the Senior Leadership Team (SLT) of strategic risks facing the Council at the end of quarter 1 2020/21.

The Committee was aware that the Strategic Risk Register had undergone a detailed root and branch review by the SLT prior to the Covid-19 period, whereby a refreshed Risk Register had been produced. The results were set out in Appendix A of the report.

RESOLVED:

That the Audit Committee:

- i) noted the refreshed Strategic Risk Register (Appendix A of the report) and the 5 new risks including 4 new specific Covid-19 Strategic Risks.

11 Draft Annual Governance Statement 2019/20

Mike Pinder, Head of Audit and Investigations, introduced this report which set out the methodology for producing the Annual Governance Statement (AGS) for 2019/20 and highlighted Governance issues.

RESOLVED:

That the Audit Committee:

- i) noted the Draft Annual Governance Statement for 2019/20.

12 Date of Next Meeting

The next meeting was scheduled to be held on 25 November 2020.

The meeting ended at 7:52 pm

