



To be submitted to the Council at its meeting on 29<sup>th</sup> July 2021

## **AUDIT AND GOVERNANCE COMMITTEE**

**22<sup>nd</sup> April 2021 at 9.30.a.m.**

### **Present:**

Mr. T. Render (in the Chair)

Councillors Beasant, Furneaux, Harness, Hudson, Parkinson, Rogers, Silvester and Wheatley.

### **Officers in attendance:**

- Helen Isaacs (Assistant Chief Executive)
- Sharon Wroot (Executive Director, Environment, Economy and Resources)
- Simon Jones (Chief Legal and Monitoring Officer)
- Guy Lonsdale (Deputy Section 151 Officer)
- Paul Ellis (Head of Information Governance and Complaints)
- Peter Hanmer (Head of Audit and Assurance)
- Mark Edwards (Strategic Lead – Fraud)
- Bev O'Brien (Scrutiny and Committee Advisor)

### **Also, in attendance:**

- Mark Surrige (Mazars)
- Councillor Shreeve (Portfolio Holder for Finance, Resources and Assets)

### **AC.56 APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Patrick for this meeting.

### **AC.57 DECLARATIONS OF INTEREST**

Councillor Rogers declared a personal interest in AC.60 as she is employed by North East Lincolnshire Clinical Commissioning Group.

## **AC.58 MINUTES**

RESOLVED – That the minutes of the Audit and Governance Committee meeting held on 21<sup>st</sup> January 2021 be agreed as an accurate record.

## **AC.59 TRACKING OF RECOMMENDATIONS**

The committee received a report from the Executive Director for Environment, Economy and Resources tracking the recommendations of the Audit and Governance Committee.

Mrs. O'Brien informed the committee that the Strategic Risk Register was discussed in more detail at the Audit Working Group that took place on the 26<sup>th</sup> March 2021.

RESOLVED – That the completed action be removed from the tracking report.

## **AC.60 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

The committee received a report from the Chair of the Audit and Governance Committee setting out the proposed work programme for 2021/22.

Councillors Harness and Furneaux supported a suggestion that governance around the scrutiny process be added to the proposed work program. Chair indicated that the matter would be discussed with the Monitoring Officer.

RESOLVED –.

- 1) That the report be noted.
- 2) That the matter of governance around the scrutiny process be discussed with the Monitoring Officer and the outcome reported to this committee.

## **AC.61 INTERNAL AUDIT UPDATE**

The committee received an update on internal audit from the Head of Audit and Assurance.

Councillor Harness recognised that Internal Audit had two vacancies within the team. He wondered whether the team would be back to full capacity soon. Mr. Hanmer confirmed that one vacancy was filled in February, and the other would be filled in May.

RESOLVED – That the report be noted.

## **AC.62 INTERNAL AUDIT PLAN 2021/22**

The committee considered a report from the Head of Audit and Assurance presenting the Internal Audit Plan for 2021/22 and highlighting the planned work programme for Internal Audit.

The Chair stated that Mr. Hanmer had set out the context for the way that the council would be working, indicating that a lot of change would be happening and he focused on how Mr. Hanmer had drawn attention to the fact that audit needed to be flexible. The Chair clarified that the council needed to make sure that the core things were not being overlooked. Mr. Hanmer confirmed that internal audit would continue to focus on the core elements of the control environment and appropriate resources had been allocated to it in the plan.

The Chair asked, given the Audit team's current staffing levels, whether Mr. Hanmer thought he had sufficient resources to be able to deliver the scale and plan indicated within the report. Mr. Hanmer confirmed that the team would be using analytical techniques and working alongside officers to make sure their approach allowed them to receive assurance as efficiently as possible. In terms of sufficient resources, he confirmed that they did have satisfactory resources to be able to complete the plan put forward, subject to the risks highlighted in the report.

The Chair asked whether the Section 151 Officer was satisfied that there were sufficient resources in place to deliver the plan. Ms. Wroot confirmed that she was.

Councillor Parkinson asked about cyber-crime and how devastating this could be to the Council's systems. He wondered how we were dealing with situations like this. Mr. Hanmer stated that they did a lot of work around ICT security and governance. They recognised that ICT knowledge needed to be up to date when auditing ICT, so they use specialist ICT auditors when carrying out ICT related audits. Cyber-crime was something being considered within their audit planning for their upcoming year.

Ms. Wroot added that we did have very robust cyber security arrangements in place, which were regularly reviewed as different cyber issues become known. The Council had an Information Security Group which regularly discuss these matters and run checks. However, if the Chair felt that an update on cyber security risk management needed to be added to the work programme, Ms. Wroot was happy to make sure the appropriate leads would be invited to attend.

RESOLVED –

1. That the report be noted.
2. That an update on cyber security risk management be added to the Audit and Governance Committee work programme for 2021/22.

**AC.63 ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE 2019/20**

The committee received a report from the Chair of the Audit and Governance Committee detailing its activities during the Council year and setting out how it has discharged its responsibilities.

RECOMMENDED TO COUNCIL -

That the Audit and Governance Committee Annual Report for 2021/22 be approved.

**AC.64 INFORMATION GOVERNANCE AND SECURITY ANNUAL REPORT**

The committee received a report outlining the key information governance activities undertaken by the Council in 2020 and provide assurance that the Council across all work areas and functions remains compliant with its legal obligations and follows good practice.

Councillor Furneaux asked whether Mr. Ellis had identified any issues with information governance while colleagues had been working from home and if not, did he think the last year had led staff to be able to work more from home and undertake tasks they would have never thought of doing from home before. Mr. Ellis explained that at the beginning of lockdown, the Chief Executive forwarded on guidance around Information Governance and working from home. He stated that one area of risk was email, as emails can easily be forwarded incorrectly particularly when using the predicted contact feature. However, he has found that now colleagues were working from home, they had not needed access to paper records and this had helped keep the number of breaches down. Mr. Ellis also added that they relaunched the training during the pandemic which enabled staff to complete the training and help them with home working.

Councillor Furneaux asked about internal controls and sign offs. He wondered whether there had been any issues around electronic sign offs. Mr. Ellis stated that there were issues in the beginning, but senior managers had been kept informed and it had helped in terms of meeting statutory obligations.

RESOLVED – That the report be noted.

**AC.65 ANNUAL FRAUD REPORT 2020/21**

The committee received a report from the Executive Director Environment, Economy and Resources highlighting the work that had been undertaken for the prevention and detection of fraud, corruption, and financial misconduct within North East Lincolnshire Council.

RESOLVED – That the report be noted.

## **AC.66 EXTERNAL AUDITORS – AUDIT PROGRESS REPORT**

The committee received a report from the Council's External Auditor providing an overview on progress in delivering its responsibilities as our external auditors and highlighting the main technical issues which were currently having an impact in local government.

RESOLVED – That the report be noted.

Note - The committee was provided an opportunity, at the close of this meeting, to discuss any confidential matters of concern with the External Auditor and the Head of Internal Audit.

No such matters were raised and therefore there was no requirement to exclude the press and public for this purpose.

There being no further business, the Chair declared the meeting closed at 10.50 a.m.