



To be submitted to the Council at its meeting on 16th December 2021

AUDIT AND GOVERNANCE COMMITTEE

29th September 2021 at 9.30.a.m.

Present: Mr. T. Render (in the Chair)
Councillors Furneaux, Harness, Mickleburgh, Parkinson, Patrick, Reynolds, Robinson, Silvester and Westcott.

Officers in attendance:

- Sharon Wroot (Executive Director Environment, Economy and Resources)
- Simon Jones (Assistant Director Law, Governance and Assets)
- Jo Robinson (Assistant Director Policy Strategy and Resources)
- Peter Hanmer (Head of Audit and Assurance)
- Helen Knights (Head of ICT and Digital)
- Guy Lonsdale (Deputy Section 151 Officer)
- John Padley (ICT Advanced Practitioner)
- Paul Windley (Democratic and Scrutiny Team Manager)

Also in attendance:

- Councillor Shreeve (Portfolio Holder for Finance, Resources and Assets)
- Rob Walker (Mazars – Senior Manager)

AC.25 APOLOGIES FOR ABSENCE

There were no apologies for absence for this meeting.

AC.26 DECLARATIONS OF INTEREST

There were no declarations of interest made with regard to any items on the agenda for this meeting.

AC.27 MINUTES

RESOLVED – That the minutes of the Audit and Governance Committee meeting held on 22nd July 2021 be agreed as an accurate record.

AC.28 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.

RESOLVED – That the tracking report be noted.

AC.29 STATEMENT OF ACCOUNTS 2020/21

The committee considered a report from the Executive Director for Environment, Economy and Resources introducing the external auditor's Annual Governance Report and seeking approval of the Council's financial statements.

Mr Lonsdale introduced the report and noted that the key assurance for the committee was the work and opinion of the council's external auditors on the statement of accounts. However, this work was still being finalised and he introduced Mr Walker to update the committee on the external auditor's findings to date.

Mr Walker reported that the external auditor's work was due to be completed by next week and this reflected a national issue over a shortage of audit expertise. He updated the committee on particular challenges relating to property evaluation and pension liability. However, overall there were no major issues and he thanked officers of the council for the excellent support received. Mr Walker added that the external auditors had a responsibility to report any significant issues relating to value for money and he was able to confirm that there was nothing to bring to this committee's attention.

The committee sought clarification on the following matters:

- The reasoning behind the change seen within senior officer remuneration bands.
- The properties identified as falling within the 'AR' Council Tax band.
- The adequacy of reserves given the uncertainty caused by the COVID pandemic.
- How funding gaps would be bridged.
- The stability of borrowing costs and whether this was sustainable going forward.

Officers present responded on these points. It was agreed that an explanation of the properties identified as falling within the 'AR' Council Tax band would be circulated to committee members outside this meeting.

RESOLVED –

1. That, subject to receipt of the final audit certificate from the council's external auditors, the Statement of Accounts 2020/2021 be approved as laid out and evidenced by the signature of the Chairman and Vice-Chairman of the Audit and Governance Committee.
2. That the contents of the going concern assessment as part of the approval of the 2020/21 accounts be noted.

AC.30 JOINT MANAGEMENT AND AUDIT AND GOVERNANCE COMMITTEE (“THOSE CHARGED WITH GOVERNANCE”) RESPONSE TO MAZARS REQUEST FOR INFORMATION

The Committee received a briefing note on Mazars annual enquiries of Management and the Audit and Governance Committee (representing ‘those charged with governance’) as part of their external audit procedures. This matter was considered as part of the agreement of the statement of accounts at AC.29.

RESOLVED – That the joint response be approved.

AC.31 EXTERNAL AUDIT APPOINTMENT PROCESS

The committee considered a report from the Executive Director for Environment, Economy and Resources to reprocur an external audit provider at the end of the current 5-year contract on 31 March 2023.

The Chair noted that he had been personally consulted by the PSAA (Public Sector Audit Appointments) but had informed them that it would be inappropriate for him to comment as this was a matter for the Council to decide.

RECOMMENDED TO FULL COUNCIL – That the Council opts into the arrangements allowing the PSAA to appoint the Council's external auditor.

AC.32 EXCLUSION OF PRESS AND PUBLIC

RESOLVED - That the press and public be requested to leave on the grounds that discussion of the following business was likely to disclose exempt information within paragraph 3 of Schedule 12A of the Local Government Act, 1972 (as amended).

AC.33 CYBER SECURITY

The committee received a briefing note from the Head of ICT and Digital providing reassurance around the governance and controls the Council have in place for cyber attacks.

Ms Knights and Mr Padley provided a detailed explanation of the arrangements in place to control cyber attacks against the organization.

The committee welcomed the arrangements that were in place.

RESOLVED – That the governance and controls that are in place to deter cyber attacks on the Council's ICT networks be noted.

AC.34 **ISSUES FOR DISCUSSION WITH THE INTERNAL AND EXTERNAL AUDITORS**

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.

There being no further business, the Chair declared the meeting closed at 11.03 a.m.