



To be submitted to the Council at its meeting on 27th July 2023.

AUDIT AND GOVERNANCE COMMITTEE

20th April 2023 at 11.00 a.m.

Present: Mr. T. Render (in the Chair)
Councillors Astbury, Boyd, Brookes (substitute for Cairns), Dawkins (substitute for Freeston), Holland, Mickleburgh (substitute for Green), Patrick and Parkinson.

Officers in attendance:

- Mark Edwards (Strategic Lead – Fraud)
- Simon Jones (Assistant Director Law and Governance)
- Peter Hanmer (Head of Audit and Assurance)
- Guy Lonsdale (Deputy Section 151 Officer)
- Caroline Wilson (Strategic Lead – Risk and Assurance)
- Paul Windley (Democratic and Scrutiny Team Manager)

Also in attendance:

- Councillor Harness (Portfolio Holder for Finance, Resources and Assets)
- Mike Norman (Mazars)

AC.36 APOLOGIES FOR ABSENCE

Apologies for absence were received for this meeting from Councillors Cairns, Freeston, Green and Reynolds.

AC.37 DECLARATIONS OF INTEREST

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

AC.38 MINUTES

RESOLVED – That the minutes of the Audit and Governance Committee meeting held on 2nd February 2023 be agreed as an accurate record, subject to the removal of Councillor Holland from the attendance list as he was not present for this meeting.

AC.39 TRACKING OF RECOMMENDATIONS

The committee considered a report from the Executive Director Place and Resources on tracking of recommendations of the Audit and Governance Committee.

RESOLVED – That the report be noted and all items removed from the tracker as they had been completed.

AC.40 APPOINTMENT OF SECOND CO-OPTED INDEPENDENT MEMBER

The committee considered a report from the Chair of the Audit Committee that recommends that membership of the Committee should be increased to include a second independent member.

RECOMMENDED TO COUNCIL - That the membership of the Audit and Governance Committee be increased to include a second independent member.

AC.41 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

The committee considered a report from Chair of the Audit Committee setting out the proposed work programme for this Committee during the 2023/24 Municipal Year.

The Chair requested that the approved work programme be circulated to scrutiny panel chairs for information.

RESOLVED – That the Audit and Governance Committee work programme for 2023/24 be approved.

AC.42 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2022/23

The committee considered a report from the Head of Audit and Assurance detailing the Committee's activities during the Council year (May 2022 to May 2023), and how it had discharged its responsibilities.

RECOMMENDED TO COUNCIL –

1. That the Audit and Governance Committee Annual Report be approved.

2. That the terms of reference of the Audit and Governance Committee, as laid out in the Council's Constitution, be amended to include a statement setting out the purpose of the committee as defined in Section 1 of its Annual Report.

AC.43 ANNUAL FRAUD REPORT

The committee received a report from the Executive Director for Place 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.

Committee members raised queries about how duplicated invoices and payments were prevented, to which officers present responded.

Clarification was sought around the blue badge scheme, particularly with regard to the withdrawal of badges that were being misused. It was noted that blue badges could only be taken away if there was a court conviction. Multiple misuse could result in a decision to refuse a badge when it came up for renewal.

Councillor Boyd enquired whether there was any specific work undertaken when planning major projects to prevent fraud. Mr Hanmer noted that, as part of work due to be undertaken by Internal Audit on major projects, it would be possible to look at how counter-fraud was built into them. Procurement training was currently being developed which would raise awareness of the rules and regulations around contracts.

RESOLVED – That the Annual Fraud Report 2022/23 be noted as part of the committee's responsibilities for monitoring and reviewing the council's arrangements in relation to fraud and corruption, and that its further distribution, both internally and externally, be endorsed.

AC.44 ANTI-MONEY LAUNDERING POLICY REVIEW

The committee considered a report on the effectiveness of the council's anti-money laundering arrangements and seeking approval for the revised policy.

RESOLVED – That the revised anti-money laundering policy be approved.

AC.45 INFORMATION GOVERNANCE AND SECURITY – ANNUAL GOVERNANCE REPORT

The committee received a report that outlined the key information governance activities undertaken by the Council in 2022.

Committee members sought further information about the reported data breaches, safeguards that had been put in place for home working, protection for Elected Members and mitigation of risk regarding phishing emails. Mr Ellis responded to those queries.

The Chair questioned whether post-data breach controls could be a potential item for the Audit Working Group to consider. He added that recommendations arising from the information governance Internal Audits could also be considered. Mr Hanmer noted that the audits had been followed up and it was felt that the risks were now falling.

RESOLVED – That the Annual Information Governance Report for the calendar year 2022 be approved.

AC.46 AUDIT CHARTER AND AUDIT PLAN 2023/24

The committee considered a report from the Head of Audit and Assurance that provides an update to the Audit Charter and the outline Internal Audit Plan for 2023/24.

The Chair sought an assurance that the service had sufficient resources to deliver the Audit Plan. Mr Hanmer confirmed that it had the resources to do what was needed and matters had been prioritised accordingly. The position would be continually monitored.

Mr Norman confirmed that he was satisfied with the plan from an external audit perspective.

Councillor Holland noted that North Lincolnshire Council had been allocated significantly more hours within its audit plan. Mr Hanmer responded by highlighting the differences between the two authorities.

RESOLVED –

1. That the Internal Audit Plan for 2023/24 be approved, subject to a further update being taken to the next meeting of this committee.
2. That the Internal Audit Charter be approved.

AC.47 ANNUAL VALUE FOR MONEY REPORT

The committee considered a report from the Executive Director Place and Resources seeking assurance on the effectiveness of the Council's Value for Money arrangements.

Committee members were interested in property rationalisation plans. The Chair reminded members that this committee retained a focus on governance matters but he suggested that this might be a matter for further consideration at a meeting of the Audit Working Group.

Councillor Holland enquired whether it would be possible to measure the public's opinion on whether the council provided value for money.

Mr Lonsdale agreed to give this further consideration.

Note – Councillor Mickleburgh left the meeting during consideration of this

item.

RESOLVED – That the report be noted as providing sufficient assurance in relation to the Council's value for money arrangements.

AC.48 EXTERNAL AUDIT PROGRESS REPORT

The committee received a report from the Council's External Auditor updating on the progress in delivering their responsibilities as the Council's external auditor.

RESOLVED – That the report be noted.

AC.49 EXCLUSION OF PRESS AND PUBLIC

The Chair noted that the committee had usually been 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. He had not been made aware of any such matters.

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.50 STRATEGIC RISK UPDATE

The committee considered a report from the Executive Director for Place and Resources providing a summary of the developments relating to risk management and the strategic risk register.

The committee raised some concerns around the risk relating to the potential impact of macro-economic instability. Mr Lonsdale agreed to review this risk.

The Chair requested a briefing note providing an update on the process to be followed when the regeneration partnership contract came to an end.

RESOLVED –

1. That the report be noted.
2. That a briefing note be circulated to members of this committee providing an update on the process to be followed when the regeneration partnership contract came to an end.

There being no further business, the Chair declared the meeting closed at 1.03 p.m.