

## **AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE**

### **MINUTES OF MEETING HELD ON WEDNESDAY, 22 SEPTEMBER 2021**

#### **Present:**

Councillor Martin E Thacker MBE JP (Chair) (in the Chair)

Councillor William Armitage  
Councillor Pat Kerry

Councillor Nigel Barker  
Councillor Gerry Morley

#### **Also Present:**

|             |  |
|-------------|--|
| J Dethick   | Assistant Director - Finance and Resources (Section 151 Officer) |
| S Sternberg | Assistant Director of Governance and Monitoring Officer          |
| J Williams  | Internal Audit Consortium Manager                                |
| N Calver    | Governance Manager   |
| D Stanton   | Governance Officer   |
| S Lee       | Strategic Partnership Co-ordinator                               |

#### **AUD Apologies for Absence**

**33/2**

**1-22** Apologies for absence were received from Councillors M Roe and K Tait.

#### **AUD Declarations of Interest**

**34/2**

**1-22** Members were requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interest, in any item on the agenda and withdraw from the meeting at the appropriate time.

No declarations were made at this meeting.

#### **AUD Minutes of Last Meeting**

**35/2**

**1-22** RESOLVED – That the Minutes of the meeting of the Audit and Corporate Governance Scrutiny Committee held on 28 July 2021 be approved as a correct record and signed by the Chair.

#### **AUD Audit Completion Report 2020/21**

**36/2**

**1-22** The Committee welcomed Mike Norman (Mazars) to the meeting to present the Audit Completion Report for the 2020/21 financial year. The report summarised the findings of Mazars in respect of their 2020/21 audit.

RESOLVED – That

1. That the Audit and Corporate Governance Scrutiny Committee gives its consideration to the attached report from the Council's external auditors, Mazars.

2. That the Audit and Corporate Governance Scrutiny Committee approve the letter of representation contained within the Audit Completion Report and authorise the Chief Financial Officer to sign the letter on behalf of the Council.

**AUD** **Internal Audit Consortium Annual Report**

**37/2**

**1-22**

The Internal Audit Consortium Manager presented a report which provided a summary of the internal audit work undertaken during 2020/21.

Members heard that the Public Sector Internal Audit Standards required the Internal Audit Consortium Manager to deliver an annual internal audit opinion and report that can be used by the Organisation to inform its governance statement.

The Committee noted that 73% of audits had been completed, and that all 19 reports were given either substantial or reasonable assurance levels.

Members enquired about how the audits were conducted given the challenges presented by the Pandemic. The Internal Audit Consortium Manager clarified that the internal audit was largely conducted remotely via zoom and electronic documents.

RESOLVED – That the Internal Audit Consortium Annual Report for 2020/21 be noted.

**AUD** **External Review of Internal Audit**

**38/2**

**1-22**

The Internal Audit Consortium Manager presented a report which informed Members of the results of the external review of internal audit that took place in May 2021.

Members commented that they would like an interim report on the action plan to address the recommendations of the external review of internal audit at the January meeting.

RESOLVED – That the results of the external review of internal audit be noted.

**AUD** **Monitoring the Implementation of Internal Audit Recommendations**

**39/2**

**1-22**

The Committee considered a summary of the internal audit recommendations made and implemented for the financial years 2018/19 – 2020/21 to date.

Members expressed concern that climate change was marked as a low priority, and asked officers to note the climate emergency the Council declared at a previous Council meeting. There was a consensus that the implementation of the climate change recommendations should be considered a high priority.

The Committee requested that if an audit was covid affected, that an

explanation be offered by officers as to why it was covid affected, and what was being done to mitigate it.

Members requested a further update on the recommendations in six months.

RESOLVED – That the report be noted.

**AUD** **Summary of Internal Audit Reports**

**40/2**

**1-22**

Members were presented with a report which outlined progress in respect of the 2021/22 internal audit plan.

RESOLVED – That the report be noted.

**AUD** **Review of Internal Audit Charter**

**41/2**

**1-22**

Members considered a report which outlined the results of a review of the Internal Audit Charter.

The Committee was reminded that the Internal Audit Charter was last formally approved by the Committee in September 2020. It was agreed that the Charter would be reviewed every year to ensure that it was kept up to date.

RESOLVED – That

1. That Members note the outcome of the review of the Internal Audit Charter.
2. That subject to any comments Members wish to make, that the Internal Audit Charter be agreed.
3. That the agreed Internal Audit Charter be reviewed in a years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

**AUD** **Risk Management**

**42/2**

**1-22**

Members received a report which updated them of the current position regarding risk management arrangements and the Strategic Risk Register as at August 2021.

The Committee discussed the current HGV driver shortage and the risk it posed to supplies in the District. Members considered whether the Council's economic regeneration plan could encourage and promote employment in the sector.

Members also enquired about the Rykneld Risk Register and board membership at Northwood Ltd.

RESOLVED – That the report be noted.

**AUD** **Annual Statement of Accounts**

**42/2**

**1-221** The Committee considered a report that requested the approval of the audited Statement of Accounts for 2020/21.

Members had a wide ranging discussion on business rates, council tax, the general fund deficit, pension liability, and heritage assets.

**RESOLVED** – That

1. The Audit and Corporate Governance Scrutiny Committee approve the audited statement of accounts in respect of 2020/21.
2. That delegated powers are granted to the Chief Financial Officer in consultation with the Chair of the Audit and Corporate Governance Scrutiny Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors Mazars to ensure completion of the Statement of Accounts by the statutory deadline of 30 September 2021.

**AUD** **Assessment of Going Concern 2020/21**

**43/2**

**1-22** The Head of Finance and Resources and Section 151 Officer presented a report which informed the Committee of an assessment of the Council as a 'going concern' for the purposes of producing the 2020/21 accounts.

**RESOLVED** – That the Audit and Corporate Governance Scrutiny Committee accepts the outcome of the Council's Section 151 Officer's assessment of the Council's 'going concern' status for the purpose of preparing the statement of accounts for 2020/21.

**AUD** **Annual Governance Statement**

**44/2**

**1-22** Members received a report which sought the agreement of the Committee to the conclusions and content of the Annual Governance Statement which it was proposed to incorporate within the Council's Statement of Accounts for 2020/21.

**RESOLVED** – That

1. That the Audit and Corporate Governance Scrutiny Committee consider the draft Annual Governance Statement as set out in Appendix 1 and make any observations or recommendations which they consider to be appropriate prior to the final version being incorporated within the Council's Statement of Accounts.
2. That the Audit and Corporate Governance Scrutiny Committee approve the local Code of Corporate Governance as set out in Appendix 2.
3. That the Audit and Corporate Governance Scrutiny Committee having reviewed the effectiveness of the Governance Framework are satisfied that the Council's governance and internal control arrangements are fit for

purpose.

4. That delegated powers are granted to the Chief Financial Officer in consultation with the Chair or Deputy Chair of the Audit and Corporate Governance Scrutiny Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors Mazars to ensure completion of the Statement of Accounts by the statutory deadline of 30 September 2021.

**AUD Corporate Work Programme 2021-2022**

**45/2**

**1-22** RESOLVED – That the Work Programme be approved and noted.

**AUD Forward Plan of Executive Decisions**

**46/2**

**1-22** RESOLVED – That the Forward Plan of Executive Decisions be noted.

**AUD To consider any other items which the Chair is of the opinion should be considered as a matter of urgency.**

**47/2**

**1-22**

The Council's Strategic Partnership Coordinator was present at the meeting to clarify a decision in regards to a grant given to an external partner, Links CVS.

The officer informed Members that Cabinet had agreed to maintain the budget given in grants to external partners. The service contract with Links CVS had ended on 30.09.21, with confirmation of this communicated in line with the Derbyshire Compact. Links CVS had the opportunity to submit a tender for a contract which provided infrastructure support to NED voluntary and community sector (VCS) groups from 01.10.21 but no application was received. This opportunity was advertised through the established NEDDC Procurement Process.

The Strategic Partnership Coordinator agreed to provide further information on the tendering process to Members.

**AUD Date of Next Meeting**

**48/2**

**1-22** The date of next meeting was scheduled to take place on 03 November 2021.