

At a meeting of the Audit Committee held on Zoom Virtual Meeting on Tuesday 29 September 2020 at 10.00 am

## **Members**

Councillor Alan Tyson (Chair)  
Councillor Markus Campbell-Savours

Councillor Mary Bainbridge (Vice-Chair)  
Councillor Adrian Kirkbride

Apologies for absence were received from Councillor Carole Armstrong, Councillor Vaughan Hodgson and Councillor Janet King

## **Staff Present**

L Jardine, B Lennox, P McKenzie and S Sewell

## **Also Present**

R Anderson and G Kelly

### **143. Minutes**

The minutes of the meeting held on 27 July 2020 were signed as a correct record.

Following this, as a matter of clarity over minute 78, Councillor Campbell – Savours asked which committee of the Council reviewed the outturn and revenue reports. In response the Monitoring Officer confirmed that only the Executive received these reports, and on occasion these are also presented to the Budget 'Task and Finish Group'. In response to further questions the Monitoring Officer confirmed that the process was under review with the S151 officer and that Councillor Campbell – Savours would be provided with a written response, before the next meeting of the Constitution Review Group.

### **144. Declaration of Interests**

None declared

### **145. Questions**

None received

### **146. Assurance, Risk and Audit Report for the Quarter Ending 30 June 2020**

The Assurance, Risk and Audit (ARA) Officer presented the Assurance, Risk and Audit Report for the Quarter ending 30 June 2020.

Members were advised of two amendments to the report;

- Councillor Jim Lister is the portfolio holder, not Councillor Cook as stated
- In paragraph 2.2 the cumulative performance percentage is 75.97%, not 68.18%.

Members were advised that the 75.97% performance percentage is above target of 73.12%, despite supporting additional work due to Covid-19.

Completion of the assurance activities for the quarter focused on the completion of the Revenues and Benefits, Financial Services, Cash Management and GDPR compliance Reviews, the only activity outstanding is the financial services assurance which is at final report stage

Members were advised of the current work on corporate fraud including the National Fraud Initiative (NFI) activities, the data checks and privacy notice are completed, and the next stage will be the upload of data for January 2021 start.

Members were also advised the situation in relation to the implementation of agreed actions, specific updates in relation to Governance will be provided to the committee if necessary.

An update was also given in relation to the ARA team due to the departure of the ARA Manager.

Questions were asked in relation to agreed actions and the survey monkey questionnaire, the ARA officer provided clarity and that going forward more of a feedback exercise will be undertaken with stakeholders of each audit.

The ARA Officer presented the Revenue and Benefits Review for 2019/20, members asked questions and concerns were raised in relation to travelling claims and the health and safety of lone workers and visiting officers. The ARA Officer provided assurance that the recommendations, and in particular the high priority cases are being dealt with.

Questions were also asked in relation to NNDR and holiday lettings, the ARA officer advised of the assurances currently in place.

The ARA officer then explained that following the phishing review which was undertaken by an external auditor, an action plan had been devised following consultations between the ICT Manager and Chief Executive as the deadline for the actions are not due to be presented until the next meeting, the ARA officer will provide an update before the next meeting.

Members also asked questions and discussed the Cash Management Review for 19/20.

### **Agreed**

That the Assurance, Risk and Audit Year End Report for Quarter ending 30 June 2020 be noted.

## **147. Treasury Management Annual Review 2019/20**

The Financial Services Manager presented the report which informed members of the performance of the Councils Treasury Management activities during 2019/20, including the effects of Treasury Management decisions and

transactions executed in the past year and of the compliance with its Treasury management Policy.

The report summarised the following:

- Economic background
- Overall treasury position at 31 March 2020
- Borrowing requirement
- Borrowing rates
- Borrowing strategy 2019/20
- Borrowing activity during 2019/20
- Investment rates
- Investment Strategy for 2019/20
- Investment outturn for 2019/20
- Prudential and Treasury Indicators

The Financial Services Manager then answered questions from members in relation to the contents of the report.

### **Agreed**

Members noted the contents of the report.

## **148. Progress Report and Sector Update**

Gareth Kelly (Grant Thornton UK LLP) presented the Progress Report and Sector Update. Due to Covid 19 the 2019/20 Audit will be completed remotely, and although this has its challenges it is progressing well. Due to the pandemic, the preparation of accounts has moved until the end of August 2020, with the accounts due to be signed off by the end of November 2020.

Members were then advised of a summary of findings following the Redmond Review of Audit Sector. This included an overview of potential reform and it was confirmed to members that Grant Thornton will continue to work with officers and committee going forward to implement any changes and new practices as necessary.

Richard Anderson (Grant Thornton UK LLP) then went through the progress report in detail.

Members were advised of the risk level and risks in association with Covid 19 and the impacts on the sector, including the uncertainty over property and land valuations. Risks identified also include fraud in revenue and expenditure, Management override of controls and the valuation of pension fund net liability.

In relation to VFM Risks, members were advised of the three ongoing risks,

- Financial sustainability
- Waste and recycling contract and procurement arrangements
- Workington Community stadium.

Work in relation to these risk areas is underway and will be reported to members in the audit findings report.

Updates were also provided to members in relation to the current position and challenges facing the Audit Sector.

Members then asked questions in relation to the management override of controls and vulnerability reporting.

### **Agreed**

Members noted the contents of the report.

**The meeting closed at 12.00 pm**