

GOVERNANCE & AUDIT COMMITTEE
22 SEPTEMBER 2021
7.30 - 8.45 AM



Present:

Councillors Allen (Chairman), Wade (Vice-Chairman), Gbadebo, Mrs Hayes MBE, Heydon, Leake and Tullett

10. Declarations of Interest

There were no declarations of interest.

11. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the committee held on 23 June 2021 be approved as a correct record and signed by the Chairman.

12. Urgent Item of Business - Local Audit Framework

Stuart McKellar, Executive Director: Resources, relayed to members an urgent report inviting Members of the Committee to consider a specific proposal in a technical consultation issued by MHCLG as part of its response to the Redmond Review of local audit arrangements. The committee was asked the following:

Do you agree with the proposals that auditors should be required to present an annual report to Full Council, and that the Audit Committee should also report its responses to the Auditor's report?

Arising from questions and discussion, the following points were noted:

- Reporting to Full Council undermines the purpose of the committee and would not be able to go as in-depth as the committee.
- Full Council was considered more visible to members of the public and allows other Members who understand Governance & Audit to give comment and allow them an opportunity to participate.
- Forwarding a report to Full Council is already an option, should the committee deem it necessary, and a report is already produced annually.
- Auditors presenting the report to Full Council would undermine the committee and did not seem necessary, as they would have already presented the same report to the committee.

RESOLVED that Stuart McKellar respond to the MHCLG consultation based on the committee's comments.

13. External Audit: Audit Results Report

Andrew Brittain from Ernst & Young LLP was invited to speak on the conclusion to the 2019/20 external audit.

It was asked if the section of the report detailing ensure financial resilience within the council would also be happening in other authorities based on the impact of Covid-19. It was a risk that would be universal in many councils, due to the circumstances and uncertainty of the pandemic.

A section of the report detailing the pension scheme and an overnight loan to the Royal Borough of Windsor & Maidenhead was questioned, as to whether it was something of concern, or if additional action was needed. It was explained the reason for including it was for Members to be aware of and to give some insight into the delays in producing the report.

It was confirmed that the impact of Covid-19 had made the audit more inefficient, as access to the site was not possible. Information had to be found and passed electronically. All valuers that responded also noted material uncertainty due to the pandemic and therefore further work was needed. It was noted that this should not be as problematic for the 2020/21 audit, as all involved were much more accustomed to the new way of working.

Timings were addressed for the next audit and it was the intention to bring the results to the next committee being held in January 2022.

The report was noted.

14. **Financial Statements 2019/20**

Arthur Parker, Chief Accountant, reported to members on the Financial Statements 2019/20. The Council finished the year with an underspend of approximately £600,000. Further details including significant variances had been outlined in the covering report.

A question was asked about the joint venture, which did not exist in this financial year and would not be seen until the 2022 account.

RECOMMENDED that the Financial Statement 2019/20 be approved.

15. **Strategic Risk Register**

Sally Hendrick, Head of Audit and Risk Management, reported on the latest version of the Strategic Risk Register, which went to the Strategic Risk Management Group in August 2021, and asked members of the committee for their feedback. Key changes included:

- An increase to the risk on finance, which typically happened on an annual basis whilst developing the balanced budget.
- An increase to the risk within Adults Social Care, which was based on the impact of Covid-19 to the supply chain.
- The risk around data protection had been increased slightly due to the volume of sensitive data being held.
- Children's Social Care had also seen an increase in risk again due to the supply chains being affected by Covid-19.

Arising from questions and discussion, the following points were noted:

- Working from home had not been raised as a significant issue, or risk that needed to be reflected in the risk register so far, but it was agreed this point would be taken back to CMT.

- Transformation of Time Square, as a large project would have its own risk register, which would then tie in with the corporate risk register.
- The Executive Director: Delivery was asked why the increase to the risk on sensitive data was only happening now.
- Members praised the IT infrastructure.

It was agreed that the Committee's feedback would be conveyed to CMT.

16. Internal Audit Update

Sally Hendrick, Head of Audit and Risk Management, reported to the committee on the first interim report for 2021/22. The delivery model had changed on Internal Audit, as two senior auditors had been recruited, therefore the team was able to deliver more in house, with less reliance on external providers.

No questions were raised on the Internal Audit Update.

The Internal Audit Update was noted.

17. Exclusion of Public and Press

It was agreed that pursuant to Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 13 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) Information relating to the financial or business affairs of any particular person.

18. Counter Fraud Update

Sally Hendrick, Head of Audit and Risk Management, presented a report to the committee on Counter Fraud. This illustrated that there could be potential consequences to having weaknesses in controls such as those previously highlighted to the Committee.

The Counter Fraud Update was noted.

CHAIRMAN