

## **South Northamptonshire Council**

### **Audit Committee**

Minutes of a meeting of the Audit Committee held at Remote meeting on Thursday 30 July 2020 at 5.00 pm.

Present        Councillor David Harries BEM (Chairman)  
                  Councillor Anthony S. Bagot-Webb  
                  Councillor Sandra Barnes MBE  
                  Councillor Phil Bignell  
                  Councillor Chris Lofts

Also Present: Paul Capener – CW Audit Services, Internal Audit  
Mark Watkins – CW Audit Services, Internal Audit  
Maria Grindley –Ernst & Young LLP, External Audit  
Justine Thorpe – Ernst & Young LLP, External Audit

Apologies for  
Absence:        Councillor Hywel Davies

Officers:        Andrew Hunkin, Executive Director: Resources (Monitoring Officer)  
                  Martin Henry, Executive Director: Finance (Section 151 Officer)  
                  Geoff Kent, Assistant Director: Customers & Corporate Services  
                  Rob Ducker, Senior Investigation Officer - Corporate Fraud Team  
                  Richard Woods, Democratic Services Officer

#### **12        Declarations of Interest**

There were no declarations of interest.

#### **13        Minutes**

The minutes of the meeting of the Committee held on 28 May 2020 were agreed as a correct record to be signed by the Chairman in due course.

#### **14        Chairman's Announcements**

There were no Chairman's announcements.

#### **15        Urgent Business**

There were no items of urgent business.

**16 Draft External Audit Results 2019/20**

The Committee considered a report from the Executive Director – Finance which set out the Draft External Audit Results for 2019/20.

In introducing the report, the External Auditor explained that despite the business interruption caused by COVID-19, there had been no further changes to the scope of the Council's External Audit programme and that ongoing risks had continued to be identified and managed.

In response to questions from Members regarding a difference in the PPE Valuation of Brackley Leisure Centre, the External Auditor advised that the facility had previously been valued in the annual accounts at £7m, however following a revaluation this had been increased to £13m.

**Resolved**

(1) That the contents of the Draft External Audit Results for 2019/20 be noted.

**17 Internal Audit Annual Report & Opinion 2019/20**

The Committee considered a report from the Executive Director – Finance which detailed the CW Audit Annual Report & Opinion 2019/20.

In presenting the report, CW Audit, the Council's internal auditor, advised that the overall opinion was that significant assurance could be given, as the Council had a generally sound system of internal control in place that was applied consistently, and designed to meet the organisation's objectives.

With regards the homelessness audit, Members expressed concern as to whether the Council would have the capacity to cope with a potential future increase in homelessness in the District following the end of the Government's Furlough scheme. The Executive Director – Finance assured the Committee that the Executive Director – Operations and the Assistant Director – Wellbeing and their teams continued to monitor the situation closely.

**Resolved**

(1) That the contents of the 2019/20 Internal Audit Annual Report & Opinion be noted.

**18 Internal Audit Update July 2020**

The Executive Director – Finance submitted a report which outlined the CW Audit Service Update for July 2020.

In introducing the report, the Internal Auditor advised that following a review of the Council's Information Governance function, a number of recommendations relating to

GDPR had now been implemented, however some recommendations remained outstanding.

In response to questions from Members regarding the reasons behind the delayed implementation of the remaining GDPR recommendations, the Internal Auditor explained that Officers responsible for Information Governance had seen an increase in their workload relating to the West Northamptonshire Unitary Information Governance workstream, along with the delayed induction and training of a new member of staff due to the COVID-19 pandemic.

**Resolved**

(1) That the contents of the July 2020 Internal Audit Update Report be noted.

**19 Quarterly Performance, Risk and Finance Monitoring Report - June 2020**

The Committee considered a report from the Assistant Director – Customers and Corporate Services and the Strategic Business Partner (Deputy Section 151 Officer) which summarised the Council's Performance, Risk and Finance Monitoring Position as at the end of June 2020.

The Assistant Director – Customers and Corporate Services advised Members that the Council had continued to experience significant financial pressures as a result of the COVID-19 pandemic, and that a deficit of £536k was currently forecast.

In response to questions from the Committee, the Executive Director – Finance explained that the deficit represented a net pressure after taking into account the use of Government grants, alongside the utilisation of the underspend which had arisen in the previous financial year to assist with additional funding pressures.

**Resolved**

(1) That the Quarterly Performance, Risk and Finance Monitoring Report be noted.

(2) That, having given due consideration, the Leadership Risk Register be noted.

**20 Revised Anti-Money Laundering Policy**

The Committee considered a report from the Executive Director – Finance which detailed a revised Anti-Money Laundering Policy for approval.

In introducing the report, the Executive Director – Finance explained that the Council's previous Anti-Money Laundering Policy was out of date and required replacement following the end of joint working arrangements with Cherwell District Council. The new policy was designed to ensure that the Council had robust, risk-based Anti-Money Laundering processes in place which could be effectively and consistently followed.

**Resolved**

- (1) That, subject to a minor typographical amendment to Paragraph 7.9, the Revised Anti-Money Laundering Policy be approved.

**21 Revised Whistleblowing Policy**

The Executive Director – Resources submitted a report which presented a revised Whistleblowing Policy for approval.

In introducing the report, the Executive Director – Resources explained that the Council's previous Whistleblowing Policy was out of date, incomplete and required replacement following the end of joint working arrangements with Cherwell District Council.

In response to questions from the Committee regarding how staff would be supported in making whistleblowing disclosures in the future, the Executive Director – Resources highlighted that the new policy aimed to promote openness, transparency, good working practices and create a safe working environment for all staff within the Council.

**Resolved**

- (1) That the Revised Whistleblowing Policy be approved.

**22 Treasury Management Report - Q1 - June 2020**

The Committee considered a report from the Executive Director – Finance which provided an update on Treasury Management Performance and Compliance with the Treasury Management Policy 2020/21 as required by the Treasury Management Code of Practice.

In presenting the report, the Executive Director – Finance advised that as at the end of June 2020, the Council had a total of £31.6m of funds invested.

In response to questions from the Committee regarding the summary of investments, the Executive Director – Finance explained that the Council was slightly above target in terms of interest earned as at 30 June, however was forecasted to be approximately £60k below budget at the end of the financial year due to low interest rates arising from the COVID-19 pandemic.

**Resolved**

- (1) That the contents of the Q1 Treasury Management Report be noted.

**23 Review of Committee Work Programme**

The Committee considered its Work Programme.

**Resolved**

(1) That, subject to a minor typographical amendment to the item relating to the Accounts 2019-20 Sign Off Process, the Committee Work Programme be noted.

24 **Exclusion of Press and Public**

**Resolved**

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraphs 3 and 7 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

25 **Exempt Appendix to Treasury Management Report - Q1 - June 2020**

The Committee considered the exempt appendix to the report of the Executive Director – Finance which detailed the Council's Schedule of Investments.

**Resolved**

(1) That the exempt appendix be noted.

26 **Progress of Counter Fraud Service**

The Senior Investigating Officer – Corporate Fraud Team submitted an exempt report which provided Members with an overview of the progress to date of the Council's counter-fraud response following the delegation of authority in July 2018 to Oxford City Council.

Members of the Committee asked detailed questions of the report, which were duly answered by Officers.

**Resolved**

(1) That the exempt report be noted.

The meeting closed at 6.21 pm

Chairman:

Date:

