

# Public Document Pack

## **AUDIT COMMITTEE**

**Date and Time:** Tuesday 26 July 2022 at 7.00 pm

**Place:** Council Chamber

**Present:**

Axam (Chairman), Blewett, Davies, Engström, Hale, Smith and Southern

**In attendance:** Councillors Butcher, Butler, Farmer  
Christopher Harris, TIAA

**Officers:** Daryl Phillips, Joint Chief Executive  
Isabel Brittain, Section 151 Officer  
David Harwood, Internal Auditor  
Joanne Rayne, Finance Manager  
Rebecca Borrett, Committee Services and Members Officer

## **12 MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on 24 May 2022 were confirmed and signed as a correct record.

## **13 APOLOGIES FOR ABSENCE**

No apologies received.

## **14 DECLARATIONS OF INTEREST**

No declarations made.

## **15 CHAIRMAN'S ANNOUNCEMENTS**

No announcements.

## **16 LOCAL CODE OF CORPORATE GOVERNANCE 2022**

Officers presented a revised local code of corporate governance and explained more narrative that had been provided, the seven principals contained within, and the relevant policies and procedures the Council have in place.

## **DECISION**

The Committee accepted the local code of corporate governance.

## **17 DRAFT ANNUAL GOVERNANCE STATEMENT 2021/22**

Officers presented the draft annual governance statement 2021/22 and drew members attention to a number of Items contained within the report relating to controls, terms of reference and the summary of actions.

### **DECISION**

The Committee accepted the draft annual governance statement 2021/22.

## **18 INTERNAL AUDIT CHARTER**

Officers sought approval to a revised internal audit charter. The Council will have a fully outsourced audit function from April 2023.

Members discussed

- moving to one provider as opposed to two current providers
- how the two current organisations are split, and work reviewed by internal audit manager
- concern the internal audit manager would not be employed directly and if the appointment requires someone to be resident on site in the future
- the specification could be discussed individually with any members as required
- the standards required being national standards and evidence of achievement via an independent external audit every five years
- the potential to take this to Overview & Scrutiny for the specification of the governance procedure, the KPI's etc to examine the specification as business function
- implications for current structure and staffing against employing a permanent member of staff
- the concerns and benefits regarding the function being outsourced

### **DECISION**

The Committee reviewed and approved the internal audit charter.

## **19 INTERNAL AUDIT PROGRESS REPORT Q1 2022/23**

The Committee were presented with an updated report on the work undertaken by Internal Audit covering the month of June 2022, together with the position of the audits currently being undertaken.

Members discussed

- The recommendations for Items 1-3. Officers confirmed this would be available for the October committee
- Cyber security guidance to service managers and system administrators
- The reliance on software suppliers to manage firewalls
- The award of a government grant to address cyber security

- The auto deletion of emails after 12 months against the need to follow GDPR. Officers confirmed retention periods are currently being reviewed
- Need for clarity of any SLA in place with software providers and bought services. It was agreed the Audit Manager would speak to the IT Manager regarding expertise Councillor Butcher could provide on this subject

## **DECISION**

The Committee noted the report

## **20 EXCLUSION TO THE PUBLIC**

The following item contained exempt information.

## **DECISION**

Members decided that the public interest in maintaining an exemption outweighed the public interest in disclosing the information.

In accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to, on the grounds that they involved the likely disclosure of exempt information, as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

## **21 SHAPLEY HEATH GARDEN COMMUNITY PROJECT REVIEW AUDIT**

Members had received the independent TIAA review of the Shapley Heath Garden Community Project and were asked to agree the Management response contained therein.

Members discussed

- Governance elements not being carried out in a number of cases
- Mitigating circumstances around Covid
- Staff work not exclusively on Shapley Heath and comparing time spent against outcomes achieved
- Audit committee not receiving reports when requested
- The responsibility of cabinet
- The need for safeguards and flag when processes not followed
- Spend controls
- Opportunities Board update requests
- Achievements
- The robustness of the report presented by TIAA
- The management response presented

## **DECISION**

Cabinet be asked to provide a response to the management recommendations contained within the Shapley Heath Audit Review report, and to review the application of project governance, financial controls, and reporting for the Shapley Heath project and to provide a response to Audit Committee on lessons learnt.

Staffing Committee be asked, for the period from March 2021 to the closure of the Shapley Heath project, to review the exercise of officer management oversight over the Shapley Heath project, including a review of officers' application of financial controls, risk management, monitoring, and reporting. The findings to be shared with Audit Committee.

The meeting closed at 9.17 pm