

Audit and Governance Committee

A meeting of Audit and Governance Committee was held on Tuesday, 31st May, 2022.

Present: Cllr Barry Woodhouse(Chairman), Cllr Lauriane Povey(Vice-Chair), Cllr Chris Barlow, Cllr Stefan Houghton, Cllr Eileen Johnson, Cllr Ross Patterson, Cllr Mick Stoker, Cllr Hugo Stratton, Cllr Laura Tunney

Officers: Andrew Barber, John Devine, Derek McDonald. Sarah Whaley, (D o CS), Andy Bryson (D o F, D & R)

Also in attendance: Cath Andrew (Mazars)

Apologies: N/A

AGC 1/23

Declarations of Interest

There were no declarations of interest.

AGC 2/23

Minutes from the Audit and Governance Committee meeting which was held on the 14th February 2022

Consideration was given to the minutes from the meeting which was held on the 14th February 2022 for approval and signature.

RESOLVED that the minutes be approved as a correct record by the Chairman.

AGC 3/23

External Audit Strategy Memorandum

Members were presented with the External Audit – Audit Strategy Memorandum report for the year ending March 2022, the purpose of which was to summarise Mazars audit approach, highlight significant risks and areas of key judgements and to provide details of Mazars audit team.

Mazars representative Cath Andrew gave a brief overview of the report which included the following:

1. Audit scope, approach, and timeline
2. Significant risks and other key judgement areas
3. Value for Money
4. Fees for audit and other services
5. Mazars commitment to independence
6. Materiality and misstatements

The main topics discussed were as follows:

The Chief Accountant informed Members that in terms of fees for external audit, the Council had received a government grant of £48k and would continue to do so for the next 3 years to help with additional work required to be undertaken by external auditors.

In terms of Value for Money, clarity was sought as to how Stockton's external auditor looked at how the Council delivered Value for Money. Mazars explained that they looked at all of the arrangements in place to support decision making, collect evidence to show correct controls were in place, and should any significant risks be identified, they would report that it was or wasn't robust.

RESOLVED that the report be noted.

**AGC
4/23**

Internal Audit Annual Report

Members were asked to consider and note the annual report of the Head of Internal Audit as required by the Public Sector Internal Audit Standards (PSIAS). The report included the Audit & Risk Manager's annual opinion on the overall adequacy and effectiveness of the Council's internal control and governance processes. As such it formed an integral part of the formulation of the Council's Annual Governance Statement.

This report encompassed the reporting requirements specified in Standard 2450 of the PSIAS.

Internal Audit was an independent appraisal function established by the Council to objectively examine, evaluate, and report on the adequacy of internal controls. This role ensured that there was proper economic, efficient, and effective use of resources. It also ensured that the Council had adequate accounting records and control systems.

The main topics discussed were as follows:

- The number of planned audits which had been completed was 334 which exceeded the minimum level required of 331.
- Brief discussion was had around current resources within the Audit Team where it was highlighted that there was a vacancy within the team and that there had been some recorded sickness, however productivity and targets were still being met
- Management continued to respond positively to the audit recommendations, with positive actions being taken to remedy the highlighted internal control weaknesses.
- Officers informed members that they, as required by the Council had given an opinion on the adequacy and effectiveness of the internal control environment in the report. Officers stated that from the testing undertaken by the Internal Audit Section they were satisfied that sufficient assurance work had been undertaken to allow a reasonable conclusion on the adequacy and effectiveness of the Council's control environment to support the preparation of the Annual Governance Statement.
- Member's attention was drawn to the performance matrix contained within the report.

RESOLVED that the report be noted.

**AGC
5/23**

Risk Register Update and Audit Activity

Members were asked to consider and note the quarterly Corporate Risk Register Update Report and Internal Audit Activity Report

The Committee was reminded that quarterly reports on the Corporate Risk Register were presented for the purpose of reviewing the key risks that had been identified as having the potential to deflect services from achieving their objectives over the next 12 months and beyond. They also set out the actions being taken to ensure that the risks, and possible adverse outcomes, were minimised.

As a reminder, risks were scored on a scale of one to five for both 'impact' and 'likelihood'.

Member's attention was drawn to the summary which gave an overview of each risk and provided a summary of the current status of the risk.

Officers gave members a brief summary of performance targets where there was currently 30 days spare. One control target had been missed but was not concerning. It was noted that there had been a slight downturn of productivity due resource issues as a member of staff had been on sick leave since November 2021 but would be returning to the section within a few weeks.

Members raised questions as to whether Covid 19 had had any impact on the Audit section. Officers explained there was no real differentiation between Covid and none Covid.

Members noted that the target for completion of Information Governance Online training courses had been missed, Officers informed members that unfortunately that had been the case previous to Covid therefore wasn't related.

RESOLVED that the report be noted.

**AGC
6/23**

Health and Safety Report

Health and Safety Report

Members were presented with the Health and Safety Report which provided the Committee with an update on the health, safety, and wellbeing performance of the Council for the period 1st April 2021 – 31st March 2022

The main topics discussed were as follows:

- Number of Educational Residential visits had begun to increase again with a total of 21 trips taking place and 3 domestic trips for Schools for children with special needs within the reporting period.
- Members voiced their support of Schools resuming educational trips.
- The number of assaults reported in the Employee Protection Register section

of the report had increased. Officers assured members that the increase had been due to Children with challenging behaviour and in almost all cases were without intent, they were mainly down to behaviour related incidents however there was no other way to record them.

- Members asked about the process of dealing with accidents. Officers explained that the author of the accident would report it explaining the environment in which it occurred and then gain line managers comments. Health and safety Officers would challenge and make sure comments were adequate and proportionate and if not the appropriate action would be taken from a telephone call to a full blown enquiry should that be necessary.

RESOLVED that the report be noted.

**AGC
7/23**

Work Programme 2022 - 2023

The Work Programme was noted.