

**MINUTES OF THE  
AUDIT AND RISK COMMITTEE**  
held on 16 June 2021 at 7.15pm

Present:

Councillor N.M. Walsh (Chair)

Councillors J.M.C. Raven, E.J. Sampson, M. Sismey and A.B. Sosin

### 1. Attendance and Apologies for Absence

Apologies for absence were received from Councillors D Clark, N Dudley, J Galley and B Knight.

### 2. Minutes

The minutes of the meeting on 17 March 2021 were confirmed as a correct record.

### 3. Declarations of Interests

All Members were reminded to disclose any interests in items of business on the meeting's agenda and that they should do so at this point on the agenda or as soon as they became aware of the interest. They were also obliged to notify the Monitoring Officer of the interest within 28 days of the meeting, if they had not been previously notified.

### 4. Public Questions

There were no questions or statements from members of the public.

### 5. Announcements

No announcements were made.

### 6. Election of Vice Chair

Councillor Sosin, nominated Councillor Sismey to be the Vice Chair, this was seconded by Councillor Raven.

RESOLVED that Councillor Malcolm Sismey be appointed as the Vice Chair of the Audit and Risk Committee.

(7.16pm to 7.18pm)

## 7. Annual Audit Letter

The Chair had agreed to this item being accepted as an item of urgent business, due to it not being available for public inspection for five clear working days before the meeting. This was accepted on the grounds that the National Audit's Office Code of Audit Practice required the report to be submitted and considered by the Committee, as soon as reasonably practical after its completion.

The Committee received a report on the Annual Audit Letter from BDO. It was noted that the letter summarised the key issues arising from the work they had carried out in respect of the year ended 31 March 2020. It was reported that the letter provided the Council with an unqualified audit opinion on the financial statements and use of resources conclusion.

RESOLVED that the content of the Annual Audit Letter be noted.

(7.19pm to 7.21pm)

## 8. Provisional Revenue Outturn Report for 2020/21

The Committee received a report on the provisional revenue outturn position for 2020/21 which showed a projected overspend of £3.8m or 19.85%. The report included a list of key material variations that made up the overspend, the amount and the cause of each variation, and the actions recommended to manage each variation. For each affected service, action or variance, the report identified associated risks.

It was noted by the Committee that the pandemic had continued and would continue to have a significant impact on the Council's finances and there had been a £17m loss of income which had been partially made good by Government grants. It was also noted that underspends in certain areas had been achieved which had helped to mitigate losses elsewhere but the £17m loss was higher than the originally forecasted £13m. The Committee heard that this was due to the second lockdown in early 2021 which could not have been accurately forecasted.

RESOLVED that the provisional revenue position for 2020/21 and the actions associated with it set out in the report to the meeting be noted.

(7.22pm to 7.26pm)

## 9. Capital Programme Update and Provisional Outturn 2020/21

The Committee considered a report which detailed the capital expenditure incurred in 2020/21, updated the Committee on the approved Capital Schemes and variations in cost which had been identified at outturn and to date.

The report concluded that:

- The total cost of the Capital Schemes was forecast to be a net £151k less than the latest approved budget of £131.441m
- There were some large schemes which had not been delivered against originally agreed milestones, due to circumstances outside of the control of the Project Officers.
- There had been a £9.969m underspend on Capital Schemes in 2020/21 which had reduced the requirement to identify capital resources for the funding of the programme and had been beneficial in reducing the requirement for internal borrowing.
- The 2020/21 Asset Replacement Schemes were £647k less than the latest approved budget, £315k of this variation had been due to moving budgets forward into 2021/22.
- The 2021/22 Asset Replacement Schemes were forecast to be £1.305k less than the latest approved budget, mainly due to the realignment of budgets from 2020/21, an additional £269k and deferred budgets from 2021/22 to later years.

RESOLVED that the updated capital programme and provisional outturn for 2020/21 be noted.

(7.27pm to 7.31pm)

## 10. Internal Audit Annual Report 2020/21

Members received a report which reviewed the work of the Internal Audit Service in 2020/21, examined the key themes identified across the Council, highlighted how responsive management had been in implementing recommendations, and reviewed the effectiveness of Internal Audit.

It was noted by the Committee that 22 planned reviews had been completed along with covid related work and work on the new financial system. The Committee also heard that overall opinion was of Moderate Assurance. It was noted that one of the year's biggest changes had been the implementation of the new finance system, which Internal Audit have assisted with and it would be followed up now it was in place and being used organisation wide. The Committee also noted that there were two remaining high priority actions for corporate property. The Committee were informed that a new audit would now take place in the area once new strategies were in place and that this would be a more pertinent approach.

RESOLVED that the Annual Report on the Internal Audit Service for 2020/21 be noted.

(7.32pm to 7.37pm)

## 11. Audit & Risk Committee Annual Report 2020/21

The Committee considered its Annual Report for 2020/21, submitted in accordance with the code of best practice recommended by the Chartered Institute of Public Finance and Accountancy.

In response to a question from the Committee, it was noted that the training survey previously completed had indicated a view that general audit training rather than on a specialised area was preferred. The Committee heard that plans for this were underway and a further update would be provided at the next meeting.

RESOLVED that the Committee's Annual Report for 2020/21 be approved and submitted to the Council.

(7.38pm to 7.39pm)

## 12. Review of the Audit & Risk Committee's Terms of Reference

The Committee considered a report outlining the review of its terms of reference which had been carried out in accordance with the Chartered Institute of Public Finance and Accountancy recommended practice. No material changes had been made since last year.

RESOLVED that the terms of reference of the Committee be noted and confirmed.

(7.40pm to 7.41pm)

## 13. Risk Management Report – Spring/Summer 2021

The Committee received a report updating them on Risk Management. The report outlined the progress made in implanting the Council's risk management framework during 2020-21, summarised the Council's Principal Risks, taking into account Covid-19 and set out the Risk Management Strategy for 2021-22.

It was noted by the Committee that quarterly reporting to Management Team on the principal risk register had continued and the new framework and financial system had been implemented. The Committee heard that the new system had now been rolled out council wide and would be used to assist with reporting to Overview and Scrutiny Committee in the future. It was noted that section three of the report detailed the critical risk summary and that there had been four changes since the last report. The Committee was also informed that the last section of the report detailed the updated Risk Management Strategy for the next year.

RESOLVED that the report be noted.

(7.42pm to 7.46pm)

## 14. Audit and Risk Committee Work Programme

The Committee received a report updating them on the rolling programme of work. It was noted that the September date had been slightly changed.

During discussions on the work programme, members queried the timetable that the External Auditors would be working to during the new financial year. The External Auditors stated that positive meetings with officers had already taken place and it was hoped that the audit would be completed by the end of the calendar year. The auditors noted that this would miss the end of September deadline, but due to existing pressures and workloads they would prefer to set a realistic date they could meet, instead of pushing back the dates as in previous years. Both the Committee and officers confirmed they were not happy with the planned delay at this early stage, but were keen for a realistic timetable and deadline that could actually be met, to avoid consistently pushing back the date. Members of the Committee and officers also expressed concerns that the external auditors were pushing their delays and problems onto the Council, who were not responsible for this.

RESOLVED that the report be noted.

(7.47pm to 7.56pm)

## 15. Urgent Business

There was no urgent business for the meeting.

The meeting closed at 7.57pm  
Chair