



Minutes of a meeting of the Audit and Governance Committee

Monday 20th June, 2022

at 2:00 pm in the Council Chamber, Swanspool House, Doddington Road,
Wellingborough, Northants, NN8 1BP

Present:-

Members

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| Councillor Andrew Weatherill (Chair) | Councillor Kirk Harrison (Vice Chair) |
| Councillor Jean Addison | Councillor Richard Levell |
| Councillor Valerie Anslow (Substitute) | Councillor Paul Marks |
| Councillor Bert Jackson (Substitute) | Councillor Mark Pengelly |

Officers

Janice Gotts (Executive Director of Finance (s151 Officer))
Claire Edwards (Assistant Director of Finance and Accountancy)
Rachel Ashley-Caunt (Chief Internal Auditor)
Adele Wylie (Director of Governance and HR (MO))
George Candler (Executive Director of Place and Economy)
Rob Harbour (Assistant Director of Growth and Regeneration)
Jonathan Waterworth (Assistant Director of Assets and Environment)
David Watts (Executive Director of Adults, Communities and Wellbeing)
Kerry Purnell (Assistant Director of Housing and Communities)
Carly Hohn (Housing Solutions Manager)
Nana Barfi-Sarpong (Chief Information Officer)
Neil Harris (Ernst & Young – External Audit)
Ciaran McLaughlin (Grant Thornton – External Audit)
Fiona Hubbard (Senior Democratic Services Officer)
Raj Sohal (Democracy Officer)

Councillor Lloyd Bunday, Portfolio Holder for Finance and Transformation also attended the meeting.

60 Apologies for non-attendance

It was noted that apologies for absence were received from Councillor Anne Lee and Councillor Russell Roberts. Councillor Valerie Anslow attended as a Substitute for Councillor Anne Lee and Councillor Bert Jackson attended as a Substitute for Councillor Russell Roberts.

61 Members' Declarations of Interest

The Chair invited those who wished to do so to declare interests in respect of items on the agenda.

There were no declarations received.

62 Minutes of the meeting held on 5 May 2022

RESOLVED:-

- (i) The minutes of the Audit and Governance Committee held on 5 May 2022, be confirmed as a correct record and signed, subject to the amendment to the job title of Zakia Loughead (Assistant Director of Safeguarding, Wellbeing and Provider Services).

63 Internal Audit Charter and Strategy

The Committee considered a report of the Chief Internal Auditor to approve the Internal Audit Charter and Strategy, which sets out how the Council's internal Audit Service is delivered and how it complies with statutory requirements and professional standards.

The document had been presented to the last meeting of the Audit and Governance Committee and the Chair and Vice Chair subsequently suggested some amendments, which are now incorporated into the version for approval.

The Chief Internal Auditor presented the report and explained in detail some of the key areas and points within the Internal Audit Charter and Strategy, including the Children's Trust and Contractors and how the Chief Internal Auditor would report findings back to this Committee.

Arising from consideration of the report and discussion, the Chief Internal Auditor responded to questions from the Committee and the following principal comments were made:

- (i) The Committee referred to their accountability and responsibility with regard to the Children's Trust and want there to be clarity and understanding of the sources of assurance that can be provided to the Committee, particularly for assurance from Internal Audit activity, not only that of the Council but also the internal audit activity of the Trust. The contractual arrangements of the Trust may restrict the access to some records and documents;
- (ii) The Committee considered there may be a gap in enabling it to give assurance if the Council, and its officers and auditors, have restricted access to certain documents, yet remain accountable, as a 'Corporate Parent'. The Committee considered they would not be doing their job correctly if they did not ask these questions. The Director of Governance and HR (MO) informed the Committee that we could seek to request access to their Committee documents and ask if we could have a representative to attend their Audit Committees. She also stated that the Intelligent Client Function reports performance data. The Committee requested officers contact the Children's Trust with regard to contractual arrangements and access to documents and records and explain the Committee's concerns, and evaluate if there is a material restriction of access that impacts the ability of the Committee to obtain sufficient assurance over the Trust's activities;

- (iii) The Committee considered that it would be appropriate for the Director of Children's Services and a representative from the Children's Trust address the Audit and Governance Committee to explain how assurance is obtained and evaluated over the activities of the Trust.

RESOLVED:-

- (i) The Audit and Governance Committee approved the Internal Audit Charter and Strategy

64 Internal Audit Annual Report and Opinion 2021-2022

The Committee considered a report by the Chief Internal Auditor of an Internal Audit Annual Report and Opinion for 2021-2022. The overall assurance option for 2021-2022 was of Satisfactory Assurance. This reflected the significance of issues highlighted in internal audit reviews and the actions taken by management following audit recommendations.

The Chief Internal Auditor presented the report and explained in detail key areas and points within the Internal Audit Annual Report.

Arising from consideration of the report and discussion, the Chief Internal Auditor, the Executive Director of Adults, Communities and Wellbeing, the Assistant Director of Housing and Communities, the Housing Solutions Manager, the Executive Director of Place and Economy, the Assistant Director of Growth and Regeneration and the Assistant Director of Assets and Environment, responded to questions from the Committee and the following principal comments were made:

- (i) The Committee expressed some concerns around the Audit for Landlord Health and Safety. The Chief Internal Auditor stated that some of the backlogs were due to the Covid 19 Pandemic and not having full access to all properties. She also advised that a new electronic system had been implemented and an action plan was in place to rectify overdue matters;
- (ii) Questions were raised as to why the missed fire risk assessments, backlog in electrical safety inspections and backlog in remedial actions from Fire Risk Assessments and Legionella Risk Assessments did not result in Limited Assurance. The Chief Internal Auditor responded that the follow up work had already been scheduled, and the gas safety inspections were operating and on balance this gave satisfactory assurance, although consideration was given that this could have been Limited Assurance. The Chief Internal Auditor advised that actions arising from the audit would be due for follow up after the end of September;
- (iii) A member queried why the Committee do not receive full Audit reports, as some of the finer details would assist the Committee. The Chair responded that he would request that members separately receive all reports with Limited Assurance going forward;

- (iv) In relation to the Audit of homelessness and temporary accommodation, the Executive Director of Adults, Communities and Wellbeing, the Assistant Director of Housing and Communities and the Housing Solutions Manager were available to answer questions of clarification of the Committee. The Executive Director of Adults, Communities and Wellbeing informed the Committee that they had asked Internal Audit to look at matters they had concerns about, to double check their processes and to give them honest feedback. The findings were accepted and some matters cannot be resolved immediately but a level of assurance can be given;
- (v) The Committee asked questions of the Executive Director of Housing and Communities and the Housing Solutions Manager in relation to Personal Housing Plans (PHP), volumes of work and caseloads, workstreams and timescales, prioritisation, evidence of communication with the clients and staffing levels within the service. The Committee also heard a lot of work had been carried out prior to vesting day in relation to allocations and homelessness and team structures are now being put into place and Team Leaders are in post. The officers gave thorough and comprehensive responses to the questions posed by the Committee;
- (vi) In relation to the Audit of the Deprivation of Liberty Safeguards (DoLS) discussed at the Audit and Governance Committee on 5 May 2022, it was confirmed that the Audit revised date for implementation of recommendations for procedures were met;
- (vii) The Executive Director of Place and Economy and the Assistant Director of Assets and Environment were available to answer questions of clarification of the Committee, in relation to the Audit of the Asset Management (compliance regimes). The officers gave full explanations and background to matters referred to in the Audit report including inherited buildings, compliance and record keeping which will be addressed through an action plan. It was reported that there were a number of good competent staff in that service area and potential to move to a Corporate Landlord Model, which would improve levels of compliance and consistency was being considered, but a decision has not yet been taken;
- (viii) The Executive Director of Place and Economy and the Assistant Director of Growth and Regeneration provided an update to the Committee on s106 monitoring. Two members of staff were now in post. It was explained that the overdue action related to financial records in relation to coding, partly due to inheriting 5 systems with different ways of recording. The work involved had not been as easy as anticipated but once implemented, will then move into the Council's ERP Gold system. The Executive Director of Place and Economy informed the Committee that a decision had also been taken to disaggregate the service relating to s106s, currently hosted by North Northamptonshire Council, by the end of September 2022. An Audit had been requested by West Northamptonshire Council, therefore this may impact on the time-line of outstanding issues. The Committee raised questions in relation to any risk of loss associated with this passage of time, land developer queries

and committed s106 obligations. The Assistant Director of Growth and Regeneration responded giving full and comprehensive answers to the questions posed;

- (ix) The Chief Internal Auditor gave her opinion of a Satisfactory Assurance over the adequacy and effectiveness of the Council's control environment for 2021-2022. The Chief Internal Auditor was thanked for her well written Audit Report Opinion and was highly commended for what she and the Audit Team had achieved in a challenging period.

RESOLVED:-

- (i) The Audit and Governance Committee noted the Annual Internal Audit Report and Opinion for 2021-2022.

(During the above debate, Councillor Mark Pengelly left the meeting at 4:00 pm and therefore did not take part in the voting).

65 Strategic Risk Register Update

The Committee received a report by the Chief Internal Auditor of a quarterly update on the Council's Strategic Risk Register entries. The format had been further developed and reviewed with the Corporate Leadership Team and the content had been subject to a full review by management.

The Chief Internal Auditor presented the report and explained in detail the key areas and points within the Strategic Risk Register entries.

Arising from consideration of the report and discussion, the Chief Internal Auditor responded to questions from the Committee and the following principal comments were made:

- (i) In relation to Risk No 1 (Children's Trust) a comment was made that more output was required to assure robust measures to collate and make better use of the Intelligent Client Function (ICF);
- (ii) The Committee welcomed the further development of the Strategic Risk Register and considered this to be a good step forward, together with the support of the Corporate Leadership Team.

RESOLVED:-

- (i) The Audit and Governance Committee noted the Strategic Risk Register update.

66 Verbal Update for Accounts for 2019-2020 for Corby and East Northamptonshire Councils

The Committee received a verbal update from Neil Harris (Ernst & Young – External Audit) in relation to the Accounts for 2019-2020, for Corby and East Northamptonshire Councils.

Neil Harris (Ernst & Young – External Audit) reported that he expects that the Accounts for 2019-2020 for East Northamptonshire Council will shortly be closed for conclusion, and will then be in position for the accounts to be signed off under delegated authority.

In relation to the 2019-2020 Accounts for Corby Borough Council, these are not yet concluded. This is due to differing asset valuations relating to the measurement of floor areas and material adjustments to investment property assets, resulting in an expected material adjustment to the accounts.

An additional Audit and Governance Committee will need to be held for the purpose of signing off the Accounts for Corby Borough Council for 2019-2020. The meeting is likely to be scheduled for 25 July or 1 August, once outstanding matters were concluded.

In addition, Neil Harris (Ernst & Young – External Audit) gave an update in relation to the position of the 2020-2021 Accounts for Corby Borough Council and East Northamptonshire Council. He also gave an update in relation to the 2020-2021 Accounts for Northamptonshire County Council.

It is hoped the outstanding accounts for 2020-2021 for Corby and East Northamptonshire Councils, will be concluded and available to be reported to a meeting of the Audit and Governance Committee early September. For this reason, it is proposed to move the meeting of the Audit and Governance Committee scheduled for 22 August to 5 September.

67 Close of Meeting

There being no further items of business, the Chair declared the meeting closed.

Chair

Date

The meeting closed at 4.20 pm