



**West  
Northamptonshire  
Council**

**Audit and Governance Committee**

Minutes of a meeting of the Audit and Governance Committee held at on  
Wednesday 29 September 2021 at 6.00 pm.

Present           Councillor Cecile Irving-Swift (Chair)  
                      Councillor John Shephard (Vice-Chair)  
                      Councillor Jamal Alwahabi  
                      Councillor Michael Brown  
                      Councillor Alan Chantler  
                      Councillor Rosie Humphreys  
                      Councillor Danielle Stone

Substitute  
Members:

Also  
Present:

Apologies       Councillor Stephen Clarke  
for                Councillor Jake Roberts  
Absence:

Officers

1.     **Apologies**

2.     **Declarations of Interest**

There were none

3.     **Chairman's Announcements**

The Committee was advised that in his absence Councillor Stephen Clarke had sent through questions pertaining to the reports. The Executive Director of Finance would respond to these via email

4.     **Minutes**

5.     **Risk Management Deep Dive - Corporate Risks Update - Critical incidents - Information security**

At the Chairman's invitation Councillor Mike Hallam presented the report, copies of which had been previously circulated. Councillor Hallam was also joined by the Executive Director Corporate Services and Chief Information Officer.

The committee was advised that should there be any questions which require a more in depth discussion then the committee may have to move into private session. The recent server fire was discussed, and the committee was informed that lessons had been learnt from this incident. It was noted that the council had been looking at cloud-based services for some time. There had been no proposed change to the risk rating and it was hoped that in 6 months-time there could be a move to a more positive rating.

The Executive Director Corporate Services advised that it was prudent to ensure that emergency planning was in place.

Committee members raised the following question and comments:

- Had there been any impact to customers, when staff from other areas were called to deal with emergencies?
- It was noted that some members of the IT team had worked a 36-hour shift, was this not a concern?
- When staff are called away to help in emergencies would there be a residual cost to other services?
- It was queried if any data had been lost during the fire in August.
- Can member and staff behaviours be monitored in order to improve cyber security?
- Was the disaster recovery used by the council with regards to the fire, in-house or external.?
- Could clarification be given as to whether there was only one back up system in place and if it was stored onsite or offsite?

Councillor Hallam, Executive Director Corporate Services and Chief Information Officer made the following comments in response to the questions asked by the committee.

- It was agreed that there should be better systems in place.
- Staff were fully trained and the work load was shared between systems and teams.
- There was an emergency planning arrangement in place
- There had been customer feedback, this had been forwarded to communications.
- The committee was advised that once the system had been re-started there had been checks carried out to ensure that all of the information was accounted for.
- The committee was informed that 17% of data breaches had been in the public sector and the biggest risk continued to be human error.
- There were bids being considered with regards to cyber-security options, it was however, impossible to be completely secure.
- Councillor Hallam advised that he had been pushing for member learning on this subject.
- The idea to migrate to the Cloud had been discussed but would take time to move all of the relevant data.
- All of the data had been backed up off site.

The Chair requested that the committee be presented with another report on this in six months' time and noted that more education should be given to councillors regarding human risks. Councillor Brown left the meeting at this point.

#### **6. Internal Audit 2021-22 Update Report**

At the Chairman's invitation The Chief Internal Auditor presented the report, copies of which had been previously circulated. The committee was advised that the report included a detailed analysis and that so far 84% of the plan had been completed. It was hoped that 95% would be completed by 31 March 2022, information would continue to be brought back to the committee.

Committee members made the following comments.

- The report had stated that there was a 603 audit days' shortfall, was the Internal Audit team confident in being able to bring solutions to the next meeting?

The Chief Internal Auditor noted that Internal Audit were working towards potential solutions to bridge the gap.

The Executive Director of Finance noted that a detailed report would be provided and that he would be working with Chief Internal Auditor to complete this.

#### **7. External Audit (Grant Thornton) 2021-22 Progress Report**

At the Chairman's invitation Ciaran McLaughlin from Grant Thornton presented the report, copies of which had been previously circulated. The committee was advised that there had been a number of meetings with officers from WNC with more due to take place.

The Executive Director of Finance advised that a part of best practice included committee members meeting with Internal and External Auditors without the S151 Officer. This meeting would be scheduled to occur immediately before the next meeting and would allow members the opportunity to raise any queries.

#### **8. Approval of Legacy Councils' Annual Governance Statements**

At the Chairman's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated.

Members had no questions.

#### **9. Northampton Borough Council External Audit Results Report 2019-20**

At the Chairman's invitation Janet Dawson from E&Y presented the report, copies of which had been previously circulated. The committee was advised that the audit was close to being concluded, and that they should expect an unqualified audit. Although there had been significant issues there were fewer amendments this year.

A member queried the result of the pension fund audit, they were then advised that there had been some issues but E&Y were looking at how best to work through the problem.

10. **Approval of Northampton Borough Council Statement of Accounts 2019-20**

At the Chairman's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated.

A member enquired as to whether there had been any surprises found, the response given was that there had not been and that the issues found were well known.

11. **Northamptonshire County Council External Audit Results Report 2019-20**

At the Chairman's invitation Janet Dawson from E&Y presented the report, copies of which had been previously circulated. The committee was advised that they should expect an unqualified opinion on this audit. There were a number of areas still to be completed, but it was hoped to be closed within the next few weeks.

The committee was assured that much focus had been put onto the risk register, and its lack of providing levels of assurance.

12. **Approval of Northamptonshire County Council Statement of Accounts 2019-20**

At the Chairman's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated.

A member queried whether there were any concerns regarding the university loan, they were advised that no issues of concern that they were currently aware of.

13. **Daventry District Council External Audit Results Report 2020-21**

At the Chairman's invitation Neil Harris from E&Y presented the report, copies of which had been previously circulated.

Thanks was passed on to the finance team for all of the hard work that had taken place. The committee was advised that E&Y were close to concluding this audit but there were still some matters to resolve, this had been laid out in the appendix. The committee was informed that unqualified opinion was probable.

The asset Eastern Way playing Fields was mentioned, but had not been written into the report, this was still on-going audit and would appear in subsequent reports.

14. **Approval of Daventry District Council Statement of Accounts 2020-21**

At the Chairman's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated.

The chair noted that the E&Y fees were still to be determined, Neil Harris from E&Y advised that the fees would be shown once audits have been completed, as additional work had been carried out.

A member asked if the fees could have an impact on the budget.

The Executive Director of Finance advised that it could have an effect if the fees were large ones. The committee was reminded that going forward there would only be one set of accounts going to Audit instead of 4.

It was agreed that the issue referred to in the previous agenda item by the External Auditor did not need to be reported back separately and could be covered by the delegated authority granted by the Committee.

**15. South Northants Council External Audit Results Report 2020-21**

At the Chairman's invitation Maria Grindley from E&Y presented the report copies of which had been previously circulated. The committee was informed that some issues had come to light, these were now back with the team from the previous South Northants for resolution. It was advised that an unqualified opinion was likely to be given.

**16. Approval of South Northamptonshire Council Statement of Accounts 2020-21**

At the Chairman's invitation The Executive Director of Finance presented the report, copies of which had been previously circulated.

Members had no questions.

**17. Pension Fund Annual Report and Statement of Accounts 2020/21**

At the Chairman's invitation, Debbie Hanson from E&Y presented the report, copies of which were previously circulated. The committee was also then given an update on the 19/20 audit, and informed that an unqualified opinion was expected. It was advised that an update of the previous audit report would be circulated to officers and members.

With regards to the 2020/21 Audit E&Y made the following comments.

- Substantial work had been done so far.
- The executive summary had listed areas of work that were still in progress.
- This was a good audit and the committee would be given another update when ready to sign off.

Members made the following comments.

- It was noted that a discussion had taken place regarding taking £2 million out of the pension fund in order to balance the budget, had this occurred.
- It was asked if the committee could look at Climate Impact and ethics more closely in the future.

Debbie Hanson advised that moving money from the pension fund had not happened.

The Executive Director of Finance advised that there was already an ethical policy in place which could be circulated, Councillor Longley agreed and stated that this was very important issue.

**18. Strategic Risk Register**

At the Chairman's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated.

It was noted that the risk scores had not changed and the committee was advised that they would receive a copy of the risk register at every meeting.

The Chairman advised that at the next meeting there would be another deep dive on a risk of their choice, Economic Recovery was chosen.

Members noted that the document was very large; could the committee have a more concise version next time, which was then agreed to.

**19. Approval of West Northamptonshire's Code of Corporate Governance**

At the Chairman's invitation the Monitoring Officer presented the report, copies of which had been previously circulated. The committee was advised that the report set out the required framework.

The Chairman queried whether the report should also be presented at the Democracy and Standards committee.

A councillor queried whether this would cause a delay, the Chairman advised that the committee would accept it as it is and if needed would look again.

**20. Work Programme**

At the Chairman's invitation The Executive Director of Finance Presented the report, copies of which had been previously circulated.

Members had no questions.

**21. Urgent Business**

None

The meeting closed at Time Not Specified

Chair: \_\_\_\_\_

Date: \_\_\_\_\_