



## **Audit and Governance Committee**

Minutes of a meeting of the Audit and Governance Committee held at The Jeffrey Room, The Guildhall on Thursday 28 April 2022 at 6.00 pm.

Present            Councillor Cecile Irving-Swift (Chair)  
                      Councillor John Shephard (Vice-Chair)  
                      Councillor Alan Chantler  
                      Councillor Stephen Clarke  
                      Councillor Rosie Humphreys  
                      Councillor Charles Manners

Substitute  
Members:        Councillor Mark Hughes

Also  
Present:         Councillor Malcolm Longley

Apologies  
for  
Absence:        Councillor Jamal Alwahabi  
                      Councillor Jake Roberts  
                      Councillor Danielle Stone

Officers         Joanne Bonham - Governance and Risk Manager  
                      Sara Essex – Counter Fraud Manager  
                      Janet Dawson - Partner – Ernst Young  
                      Paul Harvey - Grant Thornton – Audit Manager  
                      Martin Henry – Executive Director of Finance  
                      Ciaran McLaughlin - Director of Public Sector Audit - Grant Thornton  
                      Sofia Neal-Gonzalez – Democracy Officer (minutes)  
                      David Riglar - Senior Manager - Ernst Young  
                      Audra Statham - Assistant Director Finance- Accountancy

### 46. **Apologies**

### 47. **Minutes**

RESOLVED That the minutes from the Audit meeting of the 26<sup>th</sup> of January 2022 will be approved after the following queries are investigated.

- “It was advised that emerging eco strategies had morphed into Covid recovery work”. A councillor advised that they had no memory of this being discussed, the Chair advised that it would be looked at.

### **Matters arising in the minutes.**

Item 37. Risk Register Deep Dive - Corporate Risks Update: Economic Recovery from 26<sup>th</sup> January 2022 meeting.

A councillor enquired whether there had been any further information received on issues affecting the Rural Community. The Executive Director of Finance advised that he had not and would request some feedback from the service.

48. **Declarations of Interest**

None

49. **Urgent Business**

The Executive Director of Finance provided an update on the new Head of Internal Audit and Risk Management.

50. **Chair's Announcements**

None

51. **Risk Register Deep Dive - Financial Resilience**

At the Chair's invitation The Executive Director of Finance presented the report copies of which had been previously circulated. The committee was advised of the risks and sub-risks that the report set out and how the risk was managed and mitigated. It was noted that the report also set out the positions on contingencies within the budget. The committee was advised that the authority currently had £40 million in the general reserve fund, this was above average but as the authority was still a new organisation there were still risks associated with its age.

Councillors made the following comments.

- The report stated that there was a lack of officers but not too many vacancies. Could this be explained?
- It was queried as to what the appropriate level of reserves were for a unitary council.
- Some of the statements made on financial resilience were surprising.

The Assistant Director of Finance (Accountancy) advised that there were currently 3 vacancies in the Accountancy department and over 20 staff overall.

The Executive Director of Finance made the following comments in response.

- It was advised that there were some vacancies in the finance department these were however not concerning at this time.
- There were 6 vacancies within the Strategic Finance department which has around 40 staff overall.
- It was important to remember that the Unitary was a new one and as such this will impact the amount needed to be kept in reserves. This would be looked at on an annual basis by the Section 151 Officer.
- Staff working from home had been found to be efficient and productive and had adapted well to the new normal.

RESOLVED:

- The Audit and Governance Committee considered the report and determined that no further action was required.
- The Committee concurred with the view of the S151 officer that this risk was being effectively managed based on the content of the report.

**52. Internal Audit 2021-22 Update Report**

At the Chair's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated. The committee was advised that 98% of the audits had been completed or were in the final stages, more detail could be found in the appendix.

A councillor queried how a person could continue receiving pension payments when deceased, especially due to how many other checks were in place. Further information was requested on the recoverable debt mentioned in the report.

The Executive Director of Finance advised that he would give further details to members on this via email.

RESOLVED: That the report be noted.

**53. Draft Internal Audit Plan 2022-23**

At the Chair's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated. The committee was advised that the plan had been deliberately labelled as a draft as the new Chief Internal Auditor had yet to see it

RESOLVED:

- a) That the attached draft internal audit plan for 2022-23 was endorsed in order for internal audit resource to begin to be allocated for 2022-23.
- b) That the Chief Internal Auditor reviewed the Audit Plan for 2022-23 in consultation with the S151 officer and reported any changes to the plan back to the Audit and Governance Committee at a future meeting.

**54. Northamptonshire County Council External Audit Results Report 2020-21**

At the Chair's invitation Janet Dawson, Partner at Ernst and Young presented the report, copies of which had been previously circulated. The committee was advised that that the result would likely be an unqualified opinion and EY were waiting for guidance in order to complete some outstanding areas.

Councillors made the following comments.

- Was there an indication of the numbers involved in the revaluing of One Angel Square?
- It was queried as to what steps were being put into place to improve the working papers.

David Riglar, Senior Manager at EY advised that the report provided more in-depth information on the status of the audit in specific areas. A closing down team had been in place to help complete work.

Audra Statham the Assistant Director of Finance noted that the council was still closing legacy projects.

The Chair advised the working papers had improved significantly.

RESOLVED: The Committee noted and considered the external Audit Results report and recommendations.

**55. Approval of Northamptonshire County Council Statement of Accounts 2020-21**

At the Chair's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated. The recommendations were put to the committee who were advised that there were no significant issues.

Thanks were given to Debbie Middleton who had been Interim Assistant Director of Finance for the closure of legacy accounts, and her team for all their hard work.

Audra Statham the Assistant Director of Finance advised that outstanding Infrastructure Asset was a national problem and all highways' authorities had been subject to the same delays.

RESOLVED: The Committee.

- a) Delegated authority to the Executive Director of Finance and Chair of the Audit & Governance Committee to approve and sign the letter of representation on behalf of the Council at Appendix C as revised by the resolution of outstanding items set out in the Audit Results Report; and
- b) Delegated authority to the Executive Director of Finance and the Chair of Audit & Governance Committee to approve and sign the final Statement of Accounts for the County Council at Appendix B as revised by the resolution of outstanding items set out in the Audit Results Report.

**56. Northampton Borough Council External Audit Results Report 2020-21**

At the Chair's invitation Janet Dawson, Partner at Ernst and Young presented the report, copies of which had been previously circulated. The committee was advised that they would be provided with an unqualified opinion within the next month. It was noted that the level of materiality had reduced due to the reduction in gross expenditure. EY did not wish to bring anything else to the attention of the committee.

RESOLVED: The Committee noted and considered the external Provisional Audit Results report and recommendations.

**57. Approval of Northampton Borough Council Statement of Accounts 2020-21**

At the Chair's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated. The committee was informed that there were no major issues. Thanks were given to Janet Dawson, David Riglar, Debbie Middleton, Audra Statham, and their teams for all the hard work that had been undertaken

The Chair thanked the external auditors (EY) and all of the interim teams that had worked on these audits.

RESOLVED: The Committee:

- a) Delegated authority to the Executive Director of Finance and Chair of the Audit & Governance Committee to approve and sign the letter of representation for 20-21 on behalf of the Council at Appendix C as revised by the resolution of outstanding items set out in the Audit Results Report; **and**
- b) Delegated authority to the Executive Director of Finance and the Chair of Audit & Governance Committee to approve and sign the final Statement of Accounts for the Borough Council for 2020-21 at Appendix B as revised by the resolution of outstanding items set out in the Audit Results Report.

58. **External Audit (Grant Thornton) Progress Report**

At the Chair's invitation Ciaran McLaughlin, the Director of Public Sector Audit at Grant Thornton presented the report, copies of which had been previously circulated. The committee was advised that the audit start date was scheduled for mid-September.

Councillors made the following comments.

- Had there been any issues so far that needed to be brought to the committee's attention.
- It was queried which committee was responsible for overseeing the integration of legacy issues.

Ciaran McLaughlin advised that the creation of a new authority and budget would be looked at in depth. How well the committee worked had been noted, with a good amount of challenge and conversation between members, Auditors and Officers.

The Executive Director of Finance advised that the Audit and Governance Committee was, by exception, responsible for overseeing legacy issues.

RESOLVED: The report was noted.

59. **Strategic Risk Register**

At the Chair's invitation the Executive Director of Finance presented the report, copies of which had been previously circulated. The committee was reminded that the risk register was brought to every Audit meeting as well as Executive Leadership Team.

The committee agreed that the next deep dive should be about the WNC workforce.

RESOLVED: The Committee considered the Strategic Risk Register included as Appendix 1. Due to its size an electronic copy of the risk register was provided.

60. **Work Programme**

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

RESOLVED: The Committee considered the work programme.

The meeting closed at 7.45 pm

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

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