



## **Audit and Governance Committee**

Minutes of a meeting of the Audit and Governance Committee held at The Jeffrey Room, The Guildhall, Northampton on Wednesday 22 June 2022 at 6.00 pm.

Present            Councillor Cecile Irving-Swift (Chair)  
                         Councillor Charles Manners (Vice-Chair)  
                         Councillor Jamal Alwahabi  
                         Councillor Stephen Clarke  
                         Councillor Danielle Stone  
                         Councillor Alan Chantler

Also                Councillor Mike Hallam  
Present:

Apologies        Councillor John Shephard  
for                 Councillor Rosie Humphreys  
Absence:         Councillor Jake Roberts

Officers           Alison Golding, Assistant Director - Human Resources  
                         Belinda Green, Assistant Director - Revenues and Benefits  
                         Martin Henry, Executive Director - Finance (Section 151 Officer)  
                         Sofia Neal-Gonzalez, Democratic Services Officer  
                         JAudra Statham, Assistant Director Finance- Accountancy (Finance)  
                         Clare Young, Head of OD, Design and Change

### **61. Apologies**

Apologies were received from Councillor John Shephard, Councillor Jake Roberts and Councillor Rosie Humphreys.

### **62. Declarations of Interest**

None

### **63. Minutes**

The minutes from the Audit meeting of the 28th of April 2022 were approved as true record.

### **64. Urgent Business**

None

65. **Chair's Announcements**

The Chair advised that the action points mentioned in the previous minutes had been responded to.

Councillor John Shephard was thanked for this work as vice-chair of the committee and Councillor Charles Manners was welcomed to the role.

The Executive Director of Finance advised that Audra Statham the Assistant Director Finance (Accountancy) had taken on the role of interim Chief Internal Auditor. The new Chief Internal Officer was due to start on the 1st of August 2022.

66. **Risk Register Deep Dive - Workforce skills and capacity - Risk E04 Update**

The Chair introduced Councillor Mike Hallam, the Assistant Director of HR and the Head of Organisational Development, Design and Change who then presented the report via a presentation highlighting key points in the report.

Councillors made the following comments.

- Had the people strategy been seen by other councillors?
- What was the evidence that Employee Benefit Scheme worked?
- It was queried whether there was any data that showed how many staff left WNC within the first 6 months of their employment.
- The Planning Policy committee issues that had been of concern had not taken centre stage in the report.
- It was noted that it was important for WNC to grow its own talent.
- It was queried as to how issues were flagged up within different departments.
- Could WNC look at employees who have come from other Countries and ensure that their position matched their abilities – there were now various highly skilled people living in Northampton who had encountered difficulties in getting their qualifications accredited.
- External employment agencies had been used by the council; this was highly expensive, could these be bought back in house?
- It was queried whether the committee could be provided with a report of how many interim and agency staff WNC employed.
- Did the council have any staff on zero hours contracts?

The Chair reminded members that the Committee was not there to change policy but to assess when and if the risk register needed to be reviewed and to advise the Cabinet and the Administration accordingly.

The Assistant Director of HR made the following comments.

- It was advised that there had not been a dedicated recruitment team in place on vesting day.
- The people strategy had also previously been presented at the Corporate Overview and Scrutiny Committee and Cabinet

- The Employee Benefit Scheme was one of the additional things that WNC could do as an employer, the council was open to any different ideas for other benefits. Further exploration of this was required.
- Staff wellbeing and mental health support was a very important consideration.
- Data regarding staff leaving could also be found on one of the presentation slides.
- Communication with understaffed services was required to ensure that any issues were picked up and dealt with in a timely fashion.
- The committee was advised that it had been difficult to employ within the Planning Policy department.
- A Planning Academy was being looked at; this would allow WNC to grow the own talent.
- It was important for Managers to be aware of the skills, knowledge, and experience of their staff for those employees to be utilised effectively.
- It was agreed that external employment agencies had perhaps been overused. There were however some roles that did require outside help to fill.
- Zero hours contracts were one of the contract options that the council had.

Councillor Mike Hallam made the following comments.

- It was important to keep reviewing all the vacancies within the council.
- There were mental health first aiders on hand throughout WNC.
- Conversations would be on-going within the finance and HR department regarding vacancies.
- The council had been too late in their response to the staffing issues within Planning Policy department and had learnt from this.

**RESOLVED: The committee noted the actions that had been taken to mitigate this risk.**

67. **Exclusion of Press and Public**

68. **Housing Benefit and Council Tax Reduction Risk Based Verification**

EXEMPT

69. **Return to Public Session**

70. **Internal Audit Annual Report 2021-22**

At the Chair's invitation the Assistant Director Finance (Accountancy) presented the report. The overall opinion for the 21/22 audit was noted as satisfactory, for a new council this was a good result. It was advised that there were still some services that were operating across different systems, this would increase the risk in those areas. Part of the re-structure had included fraud officers moving into risk management and the internal audit team. The Committee was advised that 79% of audits were at the final draft stage.

Councillors made the following comments.

- It was queried who created the risk register itself.

- Some councillors had been made aware through residents of a high level of fraud taking place within the 'right to buy' scheme. Was there a system in place to monitor this?

The Executive Director of Finance advised that the Internal Audit team brought all the information together. The Risk Register was generated by the different services but the information collated and reported on by Internal Audit.

The Assistant Director Finance (Accountancy) noted that some services would not be able to be disaggregated until the council had one Revenue and Benefits system in place.

The Chair advised that if any councillors had been told of potential fraud, they should bring this to the attention of the relevant people within the council.

**RESOLVED: It is recommended that the Committee considers the attached Internal Audit Annual Report and Opinion for 2021-22.**

**71. Internal Audit Progress report**

At the Chair's invitation The Assistant Director of Finance (Accountancy) gave a verbal update to the committee and noted that they would receive a full written report at the next meeting. Members were advised that all fraud officers were counter fraud specialists and that the fraud prevention training would be provided again. WNC had applied for the NFI pilot which investigated housing tenancy fraud, this would mean that the council would have access to data that it would normally have to pay for.

A member noted that there was a huge problem with sub-letting within the private sector.

The recommendations were presented to the committee.

**RESOLVED: That the committee noted the report.**

**72. Audit and Governance Committee Annual Report**

At the Chair's invitation the Executive Director of Finance presented the report. Members were advised that the terms of reference for each area had been set out.

The recommendations were presented to the committee.

**RESOLVED: The Committee considered the Audit and Governance Committee Annual report.**

**73. External Audit Update - Grant Thornton**

At the Chair's invitation The Executive Director of Finance read a short statement on behalf of Grant Thornton updating on the progress of their work which covered the following points:

- Grant Thornton (GT) continues to liaise with EY over the completion of their audits and have plans to start the final accounts audit in Mid-September.
- GT's IT auditors have reviewed the key IT systems and are just awaiting the output from this work.
- GT will shortly be arranging a VFM meeting to discuss their approach to completing the VFM work for 2021/22 and agree the timing of that.
- Ciaran McLaughlin and Paul Harvey from GT have meetings arranged with all the Executive Directors and the Chief Executive on 5 July and we will be doing those meetings in person to build knowledge and understanding of the Council. The aims of the meetings are to allow the audit team to understand key responsibilities, risks, projects, and developments in each area across the Council.

The Assistant Director Finance (Accountancy) advised that the new auditors required the legacy audits to be completed to really begin their work.

Members were advised that the NBC and NCC audits were still not finalised, it was however noted that the difficulties with completing the NCC audit were because of a national issue.

The NBC audit was slightly behind due to ongoing queries. Members were advised that the deadline of the 31<sup>st</sup> of July would be missed, as the audits cannot be completed until the accounts are closed. The council was responding to every query as quickly as possible.

The Chair advised that the external auditors would attend the September meeting.

**RESOLVED: That the update be noted.**

#### 74. **Work Programme**

At the Chair's invitation the Executive Director of Finance presented the report. Members were advised that the Internal Audit Plan had been forwarded to the new Chief Internal Auditor who had proposed a quarterly view of the plan.

A member put to the committee that there be no deep dive in September as a large amount of work would be ongoing, the committee agreed.

The Chair presented the recommendation to the committee.

**RESOLVED: The Committee noted the work programme.**

The meeting closed at 8.07 pm

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

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