



## **Audit and Governance Committee**

Minutes of a meeting of the Audit and Governance Committee held at Jeffrey Room, The Guildhall, Northampton on Wednesday 1 March 2023 at 6.00 pm.

### **Present:**

Councillor Cecile Irving-Swift (Chair)  
Councillor Jamal Alwahabi  
Councillor John Shephard  
Councillor Stephen Clarke  
Councillor Danielle Stone  
Councillor Alan Chantler

### **Substitute Members:**

Councillor Phil Bignell (for Councillor Manners)  
Councillor Sally Beardsworth (for Councillor Humphreys)

### **Also Present:**

Mark Rutter, Ernst & Young (EY) - Remote  
Ciaran McLaughlin, Grant Thornton (GT) - Remote

### **Apologies for Absence:**

Councillor Charles Manners  
Councillor Rosie Humphreys  
Councillor Jake Roberts

### **Officers:**

Audra Statham, Assistant Director Finance  
Jen Morris, Head of Audit and Risk  
Sarah Hall, Deputy Director of Law and Governance  
Scott Peasland, Audit Manager  
Marina Watkins, Democratic Services

#### **111. Declarations of Interest**

None advised.

#### **112. Minutes**

It was noted that the following additional attendees should be included in the Minutes:  
James Edmunds, Assistant Manager Democratic Services  
Marina Watkins, Democratic Services

### **RESOLVED:**

That subject to the amendment above, the Minutes of the Audit and Governance Committee held on 25<sup>th</sup> January 2023 be approved and signed as a correct record.

**113. Chair's Announcements**

The Chair welcomed Audra Statham, Assistant Director Finance to the meeting as Martin Henry, the Director of Finance was on leave.

Discussions were on going with regards to the committee dates for 2023/24 to ensure they were appropriate to the finance timetable.

The Chair welcomed Sarah Hall, Deputy Director of Law and Governance and Deputy Monitoring Officer, who would routinely attend meetings of the Committee in order to present governance reports. With regards to RIPA, there had been no applications made since the last meeting. The training of officers had now concluded, and the intention was to develop an in house training programme. A social media policy was being developed, as well as a non-RIPA form which would cover items not covered under RIPA regulations. Governance reports would be timetabled and included in the next Committee's work programme.

In response to a question, the Deputy Monitoring Officer advised that legislation did not currently allow Councillors to attend meetings remotely and vote. The legislative changes brought in during Covid had not been continued, and therefore Councillors had to physically be present at the meeting. The intention was to improve the ability to broadcast meetings which would assist if the Government were to make changes in the future.

**114. Internal Audit Progress report**

The Head of Audit and Risk outlined the report and advised that the team were making good progress. A number of audits that had been contracted out due to resource issues had now been completed, and were currently being reviewed with a view to updating the Committee at a future meeting. Where limited assurance audits had been identified, there would be a more proactive approach to managing actions which would include meetings with the teams involved.

In response to questions, the Head of Audit and Risk advised that some of the problems identified in limited assurance areas were due to resource issues, but also due to the services changing and evolving along with the Council's move to unitary status. Some repetition of work was inevitable due to the time lapsed and to ensure information was up to date.

The Chair thanked the audit team for their on-going work.

The recommendations submitted in the report were agreed.

**RESOLVED:**

The Audit and Governance Committee endorse the position with regards to the Internal Progress report.

115. **External Audit Progress report - Grant Thornton**

Ciaran McLaughlin of Grant Thornton updated the Committee on the progress of the external audit.

Due to the short amount of time between Committee meetings there was little to report. The intention was to present the audit plan to the next meeting for sign-off. Work was progressing well.

The Assistant Director of Finance advised that EY were still finishing work relating to the former Borough and County Councils, which would then enable completion of WNCs first year of accounts. The working relationship with Grant Thornton was encouraging.

Ciaran McLaughlin advised that it was difficult working on accounts when some information was not yet available from the former authorities. However work could take place on discreet areas such as the HRA (Housing Revenue Account) where all required information was available.

**RESOLVED:**

The Committee noted the verbal update.

116. **External Audit Progress report - EY**

Mark Rutter of EY updated the Committee on the progress of the external audit. NBC accounts were in a good position and close to the end of the process. Information regarding the NCC accounts had now largely been provided and additional information had only just been received from NNC.

The Assistant Director Finance advised that the closure of the NCC accounts was problematic due to the reliance on authorities outside of WNC, such as NNC and the Children's Trust, which is independently audited and on a different time line to Local Authorities.

The Audit and Governance Committee had a responsibility for the Statement of Accounts as a matter of fact but not reasons why finances were as they were. When WNC was formed, the NCC accounts for 2018/19, 2019/20 and 2020/21 were still outstanding. WNC had worked hard to rectify this situation.

Mark Rutter of EY thanked Audra Statham and the Finance team for their support.

**RESOLVED:**

The Committee noted the verbal update.

117. **Budget setting update**

The Assistant Director Finance advised that the budget had now been approved.

**RESOLVED:**

That the Committee noted the verbal update on budget setting.

118. **Risk progress update**

The Head of Audit and Risk updated the committee and advised that there had been minimal changes since the last meeting. The intention was to split operational risks from strategic risks. The intended approach had been discussed with the Executive Leadership Team who had been supportive. The aim was to develop a robust process to manage strategic risk, which would enable a more focussed and expedited approach. This would enable a better audit trail of risks and should any risks escalate or de-escalate over time they could be reported to Committee.

Councillors pointed out that the cost of living increases could reduce people's ability to pay council tax, make staff recruitment more difficult, and lead to further deprivation. The Head of Audit and Risk advised that such issues illustrated why there was a need to separate operational and strategic issues. Fewer people paying council tax was a risk but not a strategic risk, as the Medium Term Financial Plan (MTFP) estimated different collection rates. It was possible for some risks to be operational but to become strategic over time and impact on the Council.

The Assistant Director Finance added that the Section 151 Officer had to produce a Section 25 report giving assurances of the robustness of estimates in the budget and set out the issues considered as part of the budget process.

The recommendations submitted in the report were agreed.

**RESOLVED:**

That the Committee:

- i) Considers the Strategic Risk (update summary provided at Appendix 1 to the report).
- ii) Consider and endorse the approach set out below to review and improve the current risk management process.

119. **Work Programme**

The Chair advised that governance items would be included in the work programme to be submitted to the next meeting.

Questions were asked regarding reports on parts of the Council business such as Trilogy. The Assistant Director Finance undertook to report back on the issue.

**RESOLVED:**

That the work programme be noted

120. **Urgent Business**

None advised.

121. **Exclusion of the Press and Public**

**RESOLVED:**

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the remainder of the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would likely be that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraph 3 would be disclosed to them, and that in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

122. **Private Minutes of the Audit & Governance Committee held on 25th January 2023**

**RESOLVED:**

That the Private Minutes of the Audit and Governance Committee held on 25<sup>th</sup> January 2023 be approved and signed as a correct record.

123. **Exempt Appendices to Internal Audit Update report**

The Head of Audit and Risk advised that the working papers relating to the internal audits were being checked and the reports would be considered at a future meeting of the committee, with operational managers invited to attend.

The meeting closed at 6.45 pm

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

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