



## AUDIT & REGULATORY COMMITTEE

**Meeting: Tuesday, 24 November 2020 at 6.30 pm in Virtual Meeting**

Present: Councillor E Thrane (Chair)

Councillors T Ashton (substitute for J Douglas), J Collins, O Cross, E Longden, R Quinn and K Savage

Councillor A Barrow, A McKeown, Mr J Scampion, Mr M Thomas and J Todd was also in attendance

Apologies for absence were received from Councillors J Douglas, D Kerr and G Wharmby

**20/1 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING**  
(Agenda Item 3)

It was reported that Mr P Grant, Independent member, had moved out of the area. It was agreed that a letter would be sent thanking him for all his work for the Committee and also for the Standards Committee.

RESOLVED:

1. That the minutes of the meeting held on 13 February 2020 be approved as a correct record.
2. That the decision minutes of 13 July 2020 be approved as a correct record.

**20/2 AUDIT FINDINGS REPORT - EXTERNAL AUDIT (DECISION REQUIRED) - REPORT TO FOLLOW**  
(Agenda Item 4)

The External Auditor reported that based on work to address significant risks they were satisfied that the Authority had proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020. Subject to outstanding queries being resolved, an unqualified audit opinion was anticipated. The finance team and other staff were thanked for the assistance and timely collaboration provided during unprecedented times.

Revaluation of Buxton Opera House, Derbyshire Pension Fund and management arrangements were discussed.



RESOLVED:

That, subject to outstanding queries being resolved to the satisfaction of the Chairman, the External Audit findings and the preparation of financial statements for the year ending 31 March 2020 be approved.

**20/3 ANNUAL GOVERNANCE STATEMENT (DECISION REQUIRED)**  
(Agenda Item 5)

Regulation 6 (1) (a) of the Accounts and Audit Regulations 2015 requires the Council to conduct a review each financial year of the effectiveness of its system of internal control and approve an Annual Governance Statement (AGS). The statement needs to be prepared in accordance with proper practices in relation to accounts and must be approved in advance of the Council approving the statement of accounts. 'Proper practices in relation to accounts' relates to those accounting practices which are contained in a code of practice or other document which is identified for the purposes of this provision by regulations made by the Secretary of State. Such guidance is contained in the CIPFA/SOLACE framework and guidance on 'Delivering Good Governance in Local Government'.

Discussion took place on staffing and management changes.

RESOLVED:

That the Annual Governance Statement 2019/20 be approved.

**20/4 STATEMENT OF ACCOUNTS (DECISION REQUIRED)**  
(Agenda Item 6)

The Committee considered the audited Statement of Accounts 2019/20 in compliance with the legislative provisions in relation to financial reporting and the Council's commitment to transparency and accountability in the stewardship of public funds.

Discussion took place on surpluses and reconciliation.

RESOLVED:

That approval be given to the audited Statement of Accounts 2019/20, subject to the Chairman considering any additional adjustments and Committee members being kept informed.

**20/5 REDMOND REVIEW BRIEFING REPORT**  
(Agenda Item 7)

The report outlined the Redmond review into external audit and governance and detailed its significant findings, conclusions and recommendations.

RESOLVED:



That the report be noted.

**20/6 INTERNAL AUDIT PROGRESS REPORT**  
(Agenda Item 8)

The Accounts and Audit Regulations 2015 required the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In accordance with the Public Sector Internal Audit Standards, the Head of Audit must report periodically to the Audit Committee on the internal audit activity’s performance relative to its plan. The report summarised the outcome of audits completed during the period 1 July 2020 and 31 October 2020.

RESOLVED:

That the progress information contained within the report be noted.

**20/7 CORPORATE GOVERNANCE REVIEW**  
(Agenda Item 9)

The Accounts and Audit Regulations 2015 required the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In accordance with the Public Sector Internal Audit Standards, the Head of Audit was required to communicate results of audits to the appropriate parties. It was reported that procedures to approve leave and expenses would be reviewed by Leaders of both Councils.

RESOLVED:

That the Audit Service’s 2020/21 review of the Council’s corporate governance arrangements be noted.

**20/8 INTERNAL AUDIT ANNUAL REPORT**  
(Agenda Item 10)

It was reported that the Accounts and Audit Regulations 2015 requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In accordance with the Public Sector Internal Audit Standards, the Audit Manager must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

RESOLVED:

1. That the Audit Service’s 2019/20 year end performance information contained within the report be noted.



2. That the opinion on the overall adequacy and effectiveness of the Council's internal control environment be noted.

**20/9 TREASURY MANAGEMENT UPDATE**  
(Agenda Item 11)

The Council's Treasury Management performance in 2019/20 was scrutinised in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

Discussion took place on risk, grants and £10,520 distribution from former Icelandic investments.

RESOLVED:

1. That the Chair and officers consider investment safeguards, resilience and about criteria to use.
2. That the Treasury Management position (as at 30 September 2020) be noted.

**20/10 ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**  
(Agenda Item 12)

The Accounts & Audit Regulations 2015 require the Council in each financial year to conduct a review of the effectiveness of the system of internal control, and that the findings of this review must be considered by a committee or by members of the authority meeting as a whole. An annual review of the effectiveness of Internal Audit to demonstrate conformance with the Public Sector Internal Audit Standards and Local Government Application Note forms part of this review. It was reported that Committee training would be arranged.

RESOLVED:

That the annual review of the effectiveness of Internal Audit for 2019/20 including the Quality Assurance and Improvement Programme be noted and that Internal Audit is operating effectively and can be relied upon when considering the Annual Governance Statement for 2019/20.

**20/11 REVIEW OF THE EFFECTIVENESS OF THE COMMITTEE (DECISION REQUIRED)**  
(Agenda Item 13)

Having considered the report on the Annual Review of the Effectiveness of Internal Audit, the Committee were aware of the requirement to comply with the Accounts and Audit Regulations 2015. As part of the process of assurance, best practice suggests that an annual review of the effectiveness of the Audit & Regulatory Committee be undertaken.

Terms of Reference considered July 2019 had been amended:



- Under 'Governance, risk and control' – paragraph 1, the wording was amended to "To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.";
- Under 'Internal Audit' – a new paragraph (6) – "To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.";
- Under 'Internal Audit' – a new paragraph (13) – "To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.".
- Under 'External Audit' – a new paragraph (1) – "To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.".

It was reported that a knowledge and skills audit would be circulated to Committee members by March 2021. Discussion took place on a future self-assessment, training and filling the vacancy for an Independent member.

RESOLVED:

1. That the annual review of the effectiveness of the Audit and Regulatory Committee be approved.
2. That Council be recommended to approve Audit and Regulatory Committee's Terms of Reference as amended.

**20/12 APPOINTMENT OF MAYOR 2021/22**  
(Agenda Item 14)

The selection of the mayor for the 2021/22 municipal year was considered. The Annual Council meeting had been cancelled due to the impact of the Coronavirus pandemic and the incumbent Mayor, Councillor Ed Kelly, had remained in place for a second year.

RESOLVED: That Council reaffirm its previous decision to invite the Conservative Group to make a nomination for the appointment of Mayor of the Borough and Chairman of the Council for the municipal year 2021/22.

**20/13 WORK PROGRAMME**  
(Agenda Item 15)

Consideration was given to the Committee work programme for 2020/21.

RESOLVED:

That the Committee Work Programme be noted.



The meeting concluded at 8.09 pm

**CHAIRMAN**  
**FIELD\_TITLE**