



AUDIT & REGULATORY COMMITTEE

Meeting: Wednesday, 23 June 2021 at 6.30 pm in The Octagon, Pavilion Gardens, Buxton

Present: Councillor E Thrane (Chair)

Councillors J Collins, O Cross, J Douglas, E Longden, R Quinn, K Savage, F Sloman and G Wharmby

An apology for absence were received from Councillors Mr M Thomas

Councillors Barrow and A McKeown and Mr J Scampion (Independent Member) were also in attendance

20/23 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING
(Agenda Item 3)

Members were requested to complete the Knowledge & Skills Framework self-assessment previously sent to committee members in March if they had not already done so, which would assist in both the co-option of independent members and the future development requirements for the committee.

RESOLVED:

That the minutes of the meeting held on 10 February 2021 be approved as a correct record.

20/24 EXTERNAL AUDIT - AUDIT PLAN
(Agenda Item 4)

The Committee were presented with the External Audit – Audit Plan, the scope of which included forming an opinion on the preparation of the Council's financial statements and the value for money arrangements in place at the Council for securing economy, efficiency and effectiveness in the use of resources. Areas of significant risks had been identified and were set out within the report, together with the proposed response to those risks. It was noted that the Audit Findings report may slip in the timetable from September to October, and it was requested that, should this happen, the dates of committee meetings be aligned accordingly.

RESOLVED:

That the Audit Plan be noted.

20/25 EXTERNAL AUDIT - INFORMING THE RISK ASSESSMENT
(Agenda Item 5)

The report contributed towards the effective two-way communication between the external auditors and the committee and covered some important areas of the audit risk assessment. Also set out within the report, were a series of questions to ascertain whether management's responses were consistent with the Committee's understanding of the Council's oversight and management of fraud, regulation, related parties and accounting estimates. Discussion took place around the meaning of financial instruments and the accounting arrangements for the grants paid through the various Covid grant schemes, which the committee should be briefed on. Consideration would be given to training sessions being held to improve the committee's understanding of technical issues.

RESOLVED:

That the report be noted.

20/26 ARRANGEMENTS FOR THE APPOINTMENT OF THE EXECUTIVE DIRECTOR OF FINANCE AND S151 OFFICER (ORAL)
(Agenda Item 6)

The Chair advised that Claire Hazeldene, Acting Executive Director of Finance was due to leave the authority shortly to take up a new role, and conveyed the thanks of members to Claire and wished her well for the future.

The Executive Director post had been advertised and arrangements were in hand for shortlisting, with interviews to be undertaken via a joint Selection Panel from SMDC and HPBC. The Head of Finance role had been advertised internally.

Members were introduced to John Betts who had been appointed Interim Executive Director of Finance and S151 Officer who would be in post until Christmas to ensure a smooth hand over of responsibilities.

RESOLVED:

That the update be noted.

20/27 ANNUAL TREASURY MANAGEMENT REPORT
(Agenda Item 7)

The Committee scrutinised the Council's Treasury Management performance in 2020/21 and compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice. The debt maturity profile and the one-pool approach to borrowing costs were discussed.

RESOLVED:

That Council be recommended to approve the Annual Treasury Management Report 2020/21.

20/28 **TREASURY MANAGEMENT UPDATE**
(Agenda Item 8)

The Committee scrutinised the Council's Treasury Management performance this financial year (to 31st May 2021) in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice. Consideration was given to the Council's ethical investments and the need for financial institutions to offer more choice, and it was suggested that this section of the report be considered further at the Climate Change Working Group.

RESOLVED:

That the current Treasury Management position as at 31 May 2021 be noted.

20/29 **INTERNAL AUDIT PROGRESS REPORT**
(Agenda Item 9)

The Committee considered the performance of internal audit in relation to its plan as required by The Accounts and Audit Regulations 2015 which require 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."

The thanks of the Committee were conveyed to the Audit Team for keeping up with the audit work as well as being involved in the Covid 19 business grant processes.

RESOLVED:

That the report be noted.

20/30 **INTERNAL AUDIT CHARTER**
(Agenda Item 10)

The Accounts and Audit Regulations 2015 require 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". The Audit Charter provides a framework for the operation of the Internal Audit service and is required by the Public Sector Internal Audit Standards (PSIAS) which require the Charter to be approved by the 'Board', which for the Council's purpose is the Audit & Regulatory Committee. It was noted that mainly non-technical changes had been made in this review of the charter.

RESOLVED:

That the updated Internal Audit Charter be approved.

20/31 ANNUAL AUDIT PLAN - INTERNAL AUDIT
(Agenda Item 11)

The Accounts and Audit Regulations 2015 require 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 Public Sector Internal Audit Standards, the Audit Manager should establish a risk based audit plan to determine the priorities of the internal audit activity, consistent with the Council’s goals. The audit plan must be based on a documented risk assessment undertaken at least annually.

The auditing of the grants distributed through the Covid 19 business grant schemes was discussed, to which members were advised of the pre and post payment checking role already undertaken by the audit team during the process, also including process review and the prevention of fraud.

RESOLVED:

That the annual Internal Audit Plan for 2021/22 be approved.

20/32 BUSINESS GRANTS
(Agenda Item 12)

The Committee considered a report which provided details around the Business Grants process and mitigation measures in regard to the potential risk of fraud or mis-payment.

Specific reference was made to paragraph 8.14 of the report which set out the number and value of grants paid out under each scheme, which demonstrated the magnitude of the process undertaken with a total of 10,683 applications being dealt with and £48,727,677 being paid out.

Members congratulated officers across the Council for all their hard work in successfully managing the grants process in such a timely and efficient manner.

RESOLVED:

That the report be noted.

20/33 FINANCIAL MANAGEMENT CODE
(Agenda Item 13)

The Committee were briefed in regard to the requirements of the Chartered Institute of Public Finance & Accountancy (CIPFA) Financial Management Code. It was noted that this was not currently a legislative requirement, but recognised good practice.

RESOLVED:

That the report and recommendation for a full self-assessment against the principles of the CIPFA Financial Management code be noted.

20/34 COUNTER FRAUD & CORRUPTION STRATEGY
(Agenda Item 14)

The Committee considered the updated Counter Fraud & Corruption Strategy which demonstrates the Council's zero tolerance to any form of fraudulent activity and is in accordance with the Council's commitment to the highest standards of integrity.

It was suggested that a short guide to all policies of this nature be produced to inform staff.

Resolved:

That the Council's updated Counter Fraud & Corruption Strategy be approved.

20/35 WORK PROGRAMME
(Agenda Item 15)

The dates of meetings may need to be reviewed in the light of reporting schedules.

RESOLVED:

That, subject to the above, the Committee's work programme be noted.

The meeting concluded at 7.55 pm

CHAIR