



AUDIT & REGULATORY COMMITTEE

Meeting: Wednesday, 21 June 2023 at 6.30 pm in Board Room, Pavilion Gardens, Buxton

Present: Councillor O Cross (Chair)

Councillors Bell, Benham, Mrs H Burbidge, J Collins, N Gourlay, M Hall, A Hopkinson, C Payne, M Taylor and Mr M Thomas

Councillors Barrow and A McKeown were also in attendance.

24/1 TO RECEIVE DISCLOSURES OF INTEREST ON ANY MATTERS BEFORE THE COMMITTEE
(Agenda Item 2)

There were no declarations made.

24/2 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING
(Agenda Item 3)

RESOLVED:

That the minutes of the meeting held on 20 April 2023 be approved as a correct record.

24/3 AUDIT COMMITTEE UPDATE - VERBAL UPDATE
(Agenda Item 4)

It was reported that Mr J Scampion had retired from the Committee. The vacant position would be advertised and interviews held with the Chair, Vice-Chair of the Committee and the Executive Councillor for Corporate Services and Finance.

The Council's external auditor referred to residual queries relating to the 2021/22 accounts. These included the valuation of land and buildings, that had now been concluded, and the pension fund that was a national issue for which guidance had been issued. A revised valuation has been requested and was due to be received shortly to resolve the situation.

24/4 INTERIM AUDITOR'S ANNUAL REPORT - HIGH PEAK BOROUGH COUNCIL - 2021-22
(Agenda Item 5)

The report considered arrangements for the use of resources in three core areas – financial sustainability, governance and efficiency and would be published on the website when finalised. There were no significant weaknesses identified but some improvement recommendations had been made. These included a review of the capital programme, taking proactive

measures against fraud (to tackle a loss of experience) a process to review the effectiveness of the Consultation and Engagement Policy, a review of key performance indicators and a revised procurement strategy.

Consideration would be given to a previous recommendation not yet addressed relating to sensitivity and scenario modelling, part of the Medium Term Financial Plan (MTFP). The Council would try to address this in context without unnecessarily increasing the size of the MTFP.

RESOLVED:

That the report be noted.

24/5 RISK MANAGEMENT UPDATE
(Agenda Item 6)

The purpose of the report was to enable the Committee to seek assurance as to the adequacy of the Council's Risk Management arrangements in accordance with accepted good practice.

Committee members considered a number of specific risks including the Efficiency and Rationalisation Strategy, the assets database, cyber-security, accidents on council owned property (e.g. Market Street Depot and Pavilion Gardens), contract management, the Council's Agile Working Policy, Nutrient neutrality, the Council's IT Strategy and changes relating to section 106 agreements.

RESOLVED:

That the Council's current risk position and the mitigation / fruition plans summarised within Appendix A (strategic risks), Appendix B (operational risks), Appendix C (project risks) and Appendix D (opportunity risks) to the report be noted.

24/6 ANNUAL TREASURY MANAGEMENT REPORT
(Agenda Item 7)

The purpose of the report was to allow the robust scrutiny of the Council's Treasury Management performance in 2022/23 in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

It was reported that a supplementary Annual Treasury Management Report would be provided to the next meeting of the Committee. Members discussed the level of environmental, social, and governance (ESG) investments which were steadily increasing, the risk averse approach taken by the Council, the decision making process for treasury management, degree of internal auditing, setting of parameters and risk evaluation. Arrangements for the loan to the Buxton Crescent Heritage Trust were also discussed. Consideration would be given to the organisation of specific treasury management training for members.

RESOLVED:

That the Annual Treasury Management Report 2022/23 be recommended to Council for approval.

24/7 **TREASURY MANAGEMENT UPDATE**
(Agenda Item 8)

The purpose of the report was to allow the robust scrutiny of the Council's Treasury Management performance in 2023/24 in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice. It was reported that maturing loans of £3million had been repaid and one new short term loan of £5 million had been taken. Borrowing costs were forecast to be on target.

RESOLVED:

That the treasury management position as at 31st May 2023 be noted.

24/8 **INTERNAL AUDIT PERIODIC REPORT 2022/23**
(Agenda Item 9)

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 the Public Sector Internal Audit Standards, the Audit Manager must report periodically to the Audit Committee on the internal audit activity's performance relative to its plan.

All audit recommendations had been agreed, and to date 54% of 2022/23 audit recommendations that were due had been implemented. Where deficiencies in internal control had been identified and not corrected, Internal Audit were satisfied that they would be resolved in an appropriate manner and they would continue to monitor such cases. The Committee discussed areas of work relating to council controlled companies and levels of assurances sought for their operations.

RESOLVED:

That the progress information contained within the report be noted.

24/9 **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.

The Committee discussed that level of resources available and queried if these were adequate. It was report that sufficient resource was in place and there were 4 posts (2 part-time). There was a vacancy for which an apprentice was being sought.

RESOLVED:

That the Council's Internal Audit Charter be approved.

24/10 INTERNAL AUDIT ANNUAL AUDIT PLAN 2023/24
(Agenda Item 11)

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 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 selection of audits via a risk assessment was discussed and detailed in paragraph 6.3 of the report.

RESOLVED:

That the Council's annual Internal Audit Plan for 2023/24 be approved.

24/11 CONSTITUTION SUB-COMMITTEE MEMBERSHIP
(Agenda Item 12)

The Committee considered the appointment of members to the Constitution Sub-Committee to conduct an on-going review of the Council's Constitution and to make recommendations to the Audit and Regulatory Committee.

RESOLVED:

That members be appointed to the Constitution Sub-Committee via nominations to be made via group leaders.

24/12 COMMITTEE WORK PROGRAMME
(Agenda Item 13)

It was reported that a supplementary Treasury Management Report would be presented to the next Committee meeting.

RESOLVED:

That the work programme be noted.

The meeting concluded at 8.50 pm

CHAIRMAN