

AUDIT COMMITTEE

Minutes of the proceedings at a virtual meeting of the Audit Committee, on Thursday, 19 November 2020, at 6.30 p.m.

Present

Councillors

Stephen Coleman (Chairman)
Tracy Coward (Vice-Chairman)

Chris Hogg

Kevin Holmes

Kevin Lancaster

No apologies for absence were received.

Officers

Sarah Berry	Performance, Innovation and Commissioning Specialist
Linda Fisher	Legal, Governance and Democracy Lead Specialist (Monitoring Officer)
Julia Krier	Legal, Governance and Democracy Specialist
Adam Moffatt	Specialist - Legal, Governance and Democracy
Claire Read	Finance Specialist
Helen Smith	Finance Lead Specialist (Section 151 Officer)

Also in attendance were Peter Harrison (Internal Audit Manager), Gareth Kelly (External Audit Manager) and Pamela Swallowe (External Audit).

AUD/18 CHAIRMAN'S INTRODUCTION

Following confirmation that the live stream of the meeting had commenced, the Chairman referred to the new Government legislation allowing councils to conduct remote meetings and explained in detail to all taking part, and for the benefit of members of the public, the procedures for the meeting. He then invited Members of the Audit Committee to introduce themselves, to advise whether they were taking part by video or audio and to confirm that they were able to see (where practicable) and hear all Members participating in the meeting. All Members present, including the Chairman, having indicated that this was the case, he referred to officers and representatives of both External and Internal Audit present at the meeting, who would introduce themselves when asked to address the meeting. In addition, the Chairman welcomed Councillor Chris Hogg to his first meeting of the Audit Committee and expressed thanks to Councillor Malcolm Lamb, whose place Councillor Hogg had taken, for his contribution to the Audit Committee. The Chairman further drew attention to the fact that Councillor Hogg had received one to one training on the work of the Audit Committee in order to enable him to fully participate. The Chairman also expressed thanks to Councillor John Holmes for his contribution to the Committee. Councillor Holmes had stepped down from the Committee following the decision made by Council on 6 October to reduce the membership of the Committee to six.

19.11.2020

Audit Committee

AUD/19 MINUTES

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the Chairman be authorised to sign, as a correct record, the minutes of the meeting of the Committee held on 17 September 2020.

AUD/20 DECLARATIONS OF INTEREST

No declarations of interest were raised.

AUD/21 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS

There were no excluded items on the agenda.

AUD/22 AUDIT COMMITTEE 2020-21 WORK PROGRAMME

The Finance Lead Specialist (Section 151 Officer) informed Members of progress against the Committee's 2020/21 Work Programme. She drew attention to two reports that had not been included on the Agenda as planned, the first being the Annual Review of Anti-Fraud Policy and Activity, which due to a vacancy was unable to be brought to the 19 November 2020 Audit Committee meeting. She informed Members that the vacancy had now been filled and the report would be brought to the next Audit Committee Meeting which was due to be held on Thursday, 11 February 2020. The second report that had not been included on the Agenda was the Effectiveness of Internal Audit which due to the prioritisation of the External Audit report and the budget, this report would be brought to the next Audit Committee meeting which was due to be held on Thursday, 11 February 2020.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the Audit Committee 2020/21 Work Programme be agreed.

AUD/23 INTERNAL AUDIT PROGRESS REPORT 2020/21 (NOVEMBER 2020)

The Internal Audit Manager introduced the Internal Audit Progress Report 2020/21. Appendix 1 of the report provided a summary of the progress against the Internal Audit Annual Plan as at November 2020.

As a result of the Audit Plan not having been agreed until September, no individual assignment reports had yet been finalised at this stage.

Internal Audit had assessed the extent to which previous internal audit recommendations had been implemented. The report showed that 18 recommendations had been implemented and that 40 remained outstanding, with slippage most recently due to Covid-19.

In response to a query relating to priorities Mr Harrison undertook to provide further explanation of how and why recommendations were prioritised. Members raised a further question relating to the Lakes Services Moorings and Encroachments, to which the Finance Lead Specialist undertook to provide a written response to update Members.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the following be noted:-

- (1) the progress achieved in 2020/21 in delivering the Audit Plan and the outcomes of completed audit reviews, as set out in Appendix 1 to the report; and
- (2) the progress achieved in implementing recommendations from previous internal audit reports, as set out in Appendix 2 to the report.

AUD/24 STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT 2019-20

The Finance Specialist introduced the audited Statement of Accounts and Annual Governance Statement for 2019-20 and Appendices 1, 2, 3 & 4. The unaudited Statement of Accounts had been approved and published by the Finance Lead Specialist (Section 151 Officer) on 24 June 2020 allowing the opportunity for the general public to raise objections, questions and comments with the External Auditor. Legislation required that accounts be considered and approved by Members and published no later than 30 November 2020 or as soon as reasonably practicable after the receipt of the auditor's final report.

The Finance Specialist added that due to the ongoing pandemic and with Members approval, the signatures of both the Chairman of the Audit Committee and Finance Lead Specialist (Section 151 Officer) would be typed into the document and dated with the 19 November 2020 rather than signed in person.

The Finance Specialist responded to a question raised by Members.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That

- (1) the audited Statement of Accounts for 2019/20 be approved;
- (2) the letter of representation as at Appendix 2 to the report, be approved;
- (3) the Chairman of the Audit Committee be authorised to sign the letter of representation and the Statement of Accounts on behalf of the Committee;
- (4) that the Chairman of the Audit Committee be authorised to re-sign the Statement of Accounts in the event of further amendments following the final audit findings report;
- (5) that the Annual Governance Statement action plan be noted; and
- (6) that the External Audit action plan be noted.

AUD/25 EXTERNAL AUDIT OPINION ON ACCOUNTS - AUDIT FINDINGS REPORT

Gareth Kelly, External Audit presented the Audit Findings report, which had been circulated to Members prior to the meeting. Before going through the report the External Audit Manager highlighted an emphasis of matter on material value uncertainties related to the Councils land and buildings which was directly linked to the impact of COVID-19. The report set out the key findings and other matters arising for the year ending 31 March 2020 and provided Members with observations made by Grant Thornton in delivering their

responsibilities as the Council's external auditors. The report also set out emerging issues and developments that were relevant to the Council. The External Audit Manager commented that despite the impact of the ongoing pandemic and some key areas yet to be completed, the report was a positive report for the Council.

The External Audit Manager undertook to provide a written response to a question linked to the impact of COVID-19 on the Council's Car Parks.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the Audit Findings made by the External Auditors for the year ending 31 March 2020 be noted and received.

AUD/26 CUSTOMER CONNECT PROGRAMME MANAGEMENT

The Specialist (Performance, Innovation and Commissioning) presented an update on the progress of the Customer Connect Programme and the change of the programme's governance arrangements. She outlined the number of risks currently on the risk log and informed Members that out of the risks that remained open, 10 related to the Customer Connect Programme and were below the line of appetite.

The Specialist (Performance, Innovation and Commissioning) highlighted that the change in governance arrangements had been agreed by the Customer Connect Steering Group and that the rationale behind the change was that the transformation programme had implemented the new operating model and that while there had been some outstanding programme activity, the mechanisms of the transformation programme were no longer required. She added that the new governance arrangements ensured continuous improvement was a focus for the organisation and that the risks would continually be managed alongside any potential emerging risks.

In response to a question linked to how risks would be managed in the future, the Specialist (Performance, Innovation and Commissioning) advised Members that the new Innovation and Improvement Group would monitor the risks through their Risk Register.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the following be noted:-

- (1) The closed down report on the programmes risk register (Appendix 1); and
- (2) The Innovation & Improvement Risk Register (Appendix 2).

AUD/27 OTHER SIGNIFICANT FINANCIAL ISSUES

The Finance Lead Specialist (Section 151 Officer) reported that the work on the Draft Budgets had begun and that in the coming weeks there was a Spending Review and a Local Government Finance Settlement was expected later on in the year.

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the verbal updated be noted.

The meeting ended at 7.43 p.m.