

AUDIT AND RESOURCES COMMITTEE

Tuesday, 13 July 2021 (6:15 pm – 7:28 pm)

PRESENT:

Councillor Holes (Chairman); Councillors Bourne, Buckley, Campbell, Grajewski, Irish, Manning, Pragnell, Park and Tennent

RESOLVED ITEMS (SUBJECT TO QUESTIONS ONLY)

75. PUBLIC PARTICIPATION

There was no public participation on this occasion.

76. MINUTES

The Chair and Chief Finance Officer requested that minute 65 of the meeting on 22 June be amended to 'The Chief Finance Officer and EY Partner, Janet Dawson and EY Manager Simon Mathers, provided verbal updates to the Committee, including that the draft accounts had been published on the Council's website although the external audit was to be delayed until October 2021 due to EY resource constraints.'

RESOLVED –

That the amended Minutes of the meeting held on 22 June 2021 be confirmed and signed by the Chair as a correct record.

77. DECLARATIONS OF INTEREST

There were no declarations of interest in relation to items of business on the agenda.

78. EXTERNAL AUDIT PROGRESS

There were no updates available for the External Audit Progress and it was agreed that it would be removed as a regular standing item and only brought to Committee when an update was available.

79. ANNUAL INTERNAL AUDIT OPINION 2020/21 & QTR 4 MONITORING

The Executive Head of Governance, and the Chief Internal Auditor (Acting), introduced the report.

Councillor Grajewski thanked Officers for the detailed report but raised concerns on who's opinion the report was, the Executive Head of

Governance or the Chief Internal Auditor. She stated that neither the Executive Head of Governance nor the Chief Internal Auditor should be giving their opinion as the report was a conflict of interest for the Executive Head of Governance and the Chief Internal Auditor did not currently hold the necessary qualification.

The Executive Head of Governance stated she recognised those concerns but had to make a decision to balance the risk of an absence of independence against the risk of a very experienced officer who was working towards the qualification providing the opinion. She felt therefore it was better to ensure independence was maintained and therefore the opinion was that of the Chief Internal Auditor (Acting). The Committee agreed to note this.

The Chair requested that the Executive Head of Governance forwarded the Internal Audit Strategic Plan 2021/22 and the Internal Audit Charter 2021/22 to Members as it had some information in that would be helpful for understanding terminology.

The Committee noted that a number of high-risk internal audit recommendations were still outstanding from previous years. The Chair requested that the Committee continue to be updated on how many audit recommendations were still outstanding. It was agreed that the Chief Internal Auditor (Acting) would continue to monitor and highlight areas of significant risk where she felt that the action being taken, or timescales proposed, were not sufficient.

RESOLVED –

That the Audit and Resources Committee noted the Internal Audit Monitoring Statement for the fourth quarter of 2020/21.

(NOTE: Councillor Pragnell joined the meeting at 18.40pm and did not take part in the debate or vote on the item.)

80. VERBAL UPDATES FROM MEMBERS REPRESENTING STRATEGIC RISK MANAGEMENT GROUP (SRMG) / PROCUREMENT EXECUTIVE GROUP (PEG)

(a) Strategic Risk Management Group (SRMG)

No Strategic Risk Management Group meeting had been held since the last meeting. The next meeting was scheduled for 22 July 2021.

(b) Procurement Executive Group (PEG)

Councillor Irish reported that the group had met and discussed the following:

- A review of the minutes and actions from the last meeting on 16 March 2021. The Group expressed their thanks to Cllr Atkinson for her contribution and welcomed Cllr Grajewski to her first meeting
- The group reviewed the procurement action plan and discussed the emerging Procurement Policy and ways of monitoring success and achievement of the Policy. The Climate Change Manager provided an update on sustainable procurement and aligning this with the Procurement Policy, along with the need to ensure adequate training was given to staff
- The Group reviewed the draft Terms of Reference and queries were raised around the process for decision making as it appeared that where there was no consensus the decision would be taken by the Chief Financial Officer, which was a change from Cabinet. It was agreed that officers would review this and provide a further revision to the Group for comment ahead of the next meeting on 14 September 2021, when approval would be sought. This would ensure that the new Terms of Reference were included in the revised Constitution which would be presented to Full Council for approval in November 2021
- The Group reviewed the Procurement Performance Indicators and had discussions around the context of some indicators. It was agreed that Finance would attend future meetings to answer queries on financial indicators. It was noted that the Council was not currently publishing data on late payments in line with regulations. This was also subject to an internal audit recommendation and the Chief Internal Auditor (acting) had been advised that late payment data would be published by 31 July 2021
- The Group reviewed the waivers that had been approved since the last meeting and no issues were identified
- The Group reviewed the Modern Slavery Statement ahead of its presentation to Council on 22 July 2021.

(c) Housing Group

No Housing Group meeting had been held since the last meeting.

81. **ACTION LIST**

The Executive Head of Governance updated the Committee that an external company may be able to offer assistance with external assessment of compliance with the Standards and that more information would be available at the next meeting.

The Committee considered the Action List, which set out the recent decisions and subsequent actions arising from the Committee.

It was AGREED -

That the Action List be noted.

82. CABINET FORWARD PLAN

The Committee considered the current Forward Plan of Key Decisions and noted that the Regulations of Investigatory Powers Act 2000 (RIPA) Policy was due to be presented to Cabinet in September.

It was AGREED -

That the current Forward Plan be noted and that the RIPA Policy be added to the agenda for Audit and Resources Committee on 7 September 2021.

83. A&R WORK PROGRAMME

The Committee considered its current Work Programme and agreed to add Regulation of Investigating Powers Policy, from the Cabinet Forward Plan, to the Work Programme.

Councillor Grajewski requested that the Committee and Officers monitor the Hampshire Community Bank as it had not been brought to Audit and Resources Committee for a long time. This is to be added to the work programme for a future meeting.

It was AGREED -

That the Work Programme be noted.