

# Audit and Risk Committee

## Minutes

Monday, 02 March 2020 at 10:00

### PRESENT:

Councillor Flaxman-Taylor (Chair), Councillors Freeman, Cara Walker, Wainwright, and Hacon.

Karen Sly (Finance Director), Faye Haywood (Internal Audit Manager), Kaye Bate (Corporate Risk Officer), Sally Pearson (Executive Services Officer).

### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor D Hammond.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest declared at the meeting.

### **3 MINUTES**

The minutes of the meeting held on 14 January 2020 were confirmed.

### **4 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY**

The Internal Audit Manager reported on progress made between 6 January 2020 to 24 February 2020 in relation to the delivery of the Annual Internal Audit Plan for 2019/20 which included executive summaries in respect of the

reviews which have been completed during this period.

The Internal Audit Manager highlighted that 194 days of programmed work had been completed, equating to 80% of the Internal Audit Plan for 2019/20, with Quarter 4 to be delivered, and Appendix 1 detailed those audits underway and to be completed. It was noted that these will be finalised by the June Committee. The Executive Summary for Corporate Governance was explained with no urgent recommendations, five important and 2 needs attention. All recommendations have been agreed by Management.

Councillor Wainwright asked in regard to Freedom of Information Request figures. The Finance Director confirmed with the introduction of FOI Champions this would help with the response rates.

**RESOLVED:**

That Committee receive and note the outcome of the audit finalised during this period and the progress to date.

## **5 FOLLOW UP REPORT ON INTERNAL AUDIT RECOMMENDATIONS**

The Internal Audit Manager explained the report on the latest progress made in relation to management implementation of agreed audit recommendations falling due by 24 February 2020.

The Internal Audit Manager highlighted that there are two important recommendations outstanding for 2017/18. For 2018/19 there are 29 outstanding, 11 important and 18 need attention and for 2019/20 there are 9 outstanding with one urgent, 5 important and three need attention.

The Finance Director advised that in order to reduce the number outstanding for 2018/19 a report will be made to Management Team meeting on 16<sup>th</sup> March 2020. The Head of Internal Audit explained that this is not an unusual circumstance but it will be reiterated how important recommendations are and that officers give realistic timeframes.

Councillor Wainwright expressed concern at the number of outstanding recommendations for 2018/19.

**RESOLVED:**

That the Committee receive and note the current position in relation to the implementation of agreed audit recommendations.

## **6 STRATEGIC AND ANNUAL INTERNAL AUDIT PLAN 2020/2021**

The Internal Audit Manager explained the report which provided an overview

of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2020/21 to 2022/23 and the Annual Audit Plan for 2020/21.

The Internal Audit Manager advised that the Annual Internal Audit Plan will serve as the work programme for the Council's Internal Audit Services Contractor, TIAA Ltd. And will also provide the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of Great Yarmouth Borough Council's framework of governance, risk management and control.

The Annual Internal Audit Plan totals 247 days encompassing 22 internal audit reviews, three of which cover IT processes.

Councillor Wainwright asked in regard to the Civil Contingency Business Continuity item in Appendix 3 and due to the current situation with Coronavirus and potential impact, this should be considered and at an earlier time than Quarter 1. The Head of Internal Audit advised that this was not an issue when the plan was drawn up but that it will be highlighted and appropriately reported in the Strategic Risk Register. The Finance Director advised of the Council's strategy for the Coronavirus and that communications had gone out.

Councillor Wainwright asked in regard to the Remote Access as part of the ICT Audits and asked if this should be brought forward as an impact of the Coronavirus may mean many staff working remotely.

Councillor Wainwright asked for clarification in regard to the Procurement line.

The Internal Audit Manager advised that the Development Control audit had been scheduled for Quarter 4 as the restructure had not been completed and there is not the level of resource at this stage, therefore to not put extra pressure on the team the audit will be carried out in Quarter 4.

Members requested more clarification on the process for Section 106 monies.

RESOLVED:

That Committee notes and approves:

1. The Internal Audit Strategy
2. The Strategic Internal Audit Plans 2020/21 to 2022/23 and
3. The Annual Internal Audit Plan 2020/21

## **7 CORPORATE RISK REGISTER**

The Corporate Risk Officer explained the report and advised that the report had been previously postponed as Management Team had advised that the layout be revised. There had been two new risks added, Loss of reputation and IT Systems capability. Three risks had been removed as the risk was no

longer required to be included and/or they are considered to be a service risk and are included in the relevant Service Improvement Plan. There are currently 22 risks included in the Corporate Risk Register and all have been graded with action plan to bring to an acceptable level.

Councillor Wainwright asked with regard to risk numbers 4 and 9 and the possible impact of Coronavirus.

RESOLVED:

The Committee reviewed the Corporate Risk Register and approved the revised layout.

## **8 RISK MANAGEMENT FRAMEWORK**

The Corporate Risk Officer explained the report which contained an update to the Risk Management Framework, in accordance with best practice. The Framework is required to be reviewed every three years. This framework reflects the changes in layout made to the Corporate Risk Register, the Partnership arrangement and terms of reference of the Corporate Risk Group have been updated.

RESOLVED:

Committee approve the revised Risk Management Framework as set out in the attached document.

## **9 WORK PROGRAMME**

The Finance Director advised that the Committee timetable dates for the new year will be agreed in May. The provisional timescale for the 2019/2020 audit of accounts have been received and the accounts will not be presented to Committee until October. The Finance Director added that the July date for approval is not a statutory deadline. The draft accounts will still be completed by the end of May and the timescale are still in line for that.

The Chair proposed that views be sought from Members on changing the start time for the June committee due to the number of items of business.

An emergency meeting will be arranged if necessary to discuss the risks associated with the Coronavirus if this develops into a pandemic.

RESOLVED:

That the Committee note the work programme.

## **10 ANY OTHER BUSINESS**

The Chair updated the Committee following her attendance at a recent member meeting with Ernst and Young in Cambridge where the delays to the audit of accounts were explained and discussed.

The meeting ended at: 10:45