

## AUDIT COMMITTEE

Notes of a meeting of the Extraordinary Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Tuesday, 25 February 2020 at 14:30 hours.

### PRESENT:-

Members:-

Councillor Tom Munro in the Chair

Councillors David Dixon.

Officers:- Theresa Fletcher (Head of Finance & Resources and Section 151 Officer), Jenny Williams (Internal Audit Consortium Manager) and Tom Scott (Temporary Governance Officer).

***As only two Members were present, this meeting of the Extraordinary Audit Committee was not quorate. Members agreed to proceed with the agenda for information and discussion, noting that any decisions would be ratified at the next meeting.***

### 1 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Ruth Jaffray (Co-opted Member) and Councillors Jim Clifton, Chris Kane and Tom Kirkham.

### 2 DECLARATIONS OF INTEREST

There were no declarations of interest made.

### 3 CIPFA AUDIT TRAINING AND SELF ASSESSMENT ACTION PLAN

The Chair presented his report titled 'CIPFA Audit Training on 23 January 2020', which set out improvements and enhancements of Audit services identified in the training by CIPFA, which the Council could utilise to enhance its own Audit service. The report included a number of questions about the Council's Audit service which the Chair asked those in attendance to respond to.

1) Do we receive an annual report on complaints from the monitoring officer?

The Section 151 Officer confirmed that an annual report on this area was received through Customer Service Management.

2) When defining outcomes of our work, do we benchmark and if so against whom do we benchmark?

The Section 151 Officer explained that benchmarking in terms of amounts spent (as a percentage of budget) would not be practical because of the Strategic Alliance. Councillor David Dixon asked if the Council could benchmark against its own historic figures, and

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the Section 151 Officer advised that this would be difficult because different departments have many varying reasons for why their budgets change.

3) From the perspective of reporting to Council, should the Report of the recent Peer Review be an agenda item at a future Audit Committee meeting and potentially contribute to the Action Plan?

The Section 151 Officer explained she would investigate the detail of the Peer Review to confirm this. The Chair added that he would check the Peer Review himself for anything relevant to Audit Committee.

4) Should the work of Scrutiny Committees form part of audit?

Councillor David Dixon noted that Scrutiny Committees already benchmarked Audit Committee in a fashion, and felt that additional auditing of Audit Committee could be done by a third party.

5) Annual Governance Statement/Local Code (design and readability)

The Chair explained that a detailed discussion would take place about this point after the questions, with a view to identifying preferred design choices for the Council's Annual Governance Statement. He also felt that the Council's Statement was difficult to find on the Council website and should be more prominent.

6) Procurement and contract risks – do we examine common areas of weakness such as: lack of clarity over needs, weak business cases, poor market engagement, failure to anticipate future demands or trends and poor planning? Do we have up to date overarching strategies e.g. commercial strategy and procurement strategy? Is there clear allocation of responsibilities, including governance and oversight? Is there guidance on planning e.g. business cases and option appraisals? What are the evaluation and feedback processes?

The Section 151 Officer explained that the Procurement Strategy had recently been updated and would come through the approval process in the near future.

The Internal Audit Consortium Manager added that the Council looked at tender contracts to measure.

The Chair asked what safeguards were in place to ensure that each tender company was financially sound. The Section 151 Officer stated that the Council had framework measures in place for this, meaning that the Council would receive each company's accounts and references to confirm their soundness. The Internal Audit Consortium Manager added that the tender document information a company is asked to submit to the Council would include their accounts.

Councillor David Dixon referred to issues the New Bolsover project had using the Council's Procurement service, and asked if the Council had anything in place to mitigate the same risks in future. The Section 151 Officer explained how in that case, there would be something in the contract to legally grant the Council powers. The Internal Audit Consortium Manager added that a general procurement audit was being undertaken which would include mitigating the risks from the New Bolsover project.

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The Internal Audit Consortium Manager explained that a new Risk Management Strategy was being produced by the Strategic Director – People and would include new risk mitigations.

7) Supporting effective internal audit – do we: provide sufficient challenge on internal control matters, follow up recommendations, understand the impact of professional standards, support the quality and improvement programme, challenge internal audit to provide effective assurance, and provide feedback?

The Internal Audit Consortium Manager explained that the Council has an Internal Audit Charter in place, which was currently brought to Audit Committee for renewal every two years, but Audit Committee could change this to once every year if they wished. She also outlined that a plan about external reviewing would be considered by Audit Committee in September 2020.

The Internal Audit Consortium Manager addressed the question about “sufficient challenge” by stating that officers gave assurances when internal control matters were moving forwards.

The Internal Audit Consortium Manager addressed the other parts of the question by stating that the impact of professional standards were understood, and Internal Audit reported to Audit Committee on these areas at every meeting.

The Chair advised that there were no recommendations to make from these questions and stated that the discussion would now turn to the design of the Council’s Annual Governance Statement.

The Chair explained that he had seen the Governance Statement from another local authority and had specified to the Section 151 Officer that the Council could use some of the design ideas. Councillor David Dixon also agreed with this suggestion, so it was agreed for the Section 151 Officer to take these suggestions in mind and ask the Communications, Marketing and Design Manager to produce an updated design for the Council’s Annual Governance Statement.

The meeting concluded at 15:30 hours.