

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of Bolsover District Council held as a virtual meeting on Tuesday, 15th September 2020 at 14:00 hours.

PRESENT:-

Members:-

Councillor Tom Munro in the Chair

Councillors Jim Clifton, David Dixon, Tom Kirkham, Ruth Jaffray (Co-opted Member) and Dan Salt.

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

Also in attendance at the meeting was Councillor Clive Moesby (Portfolio Holder for Finance and Resources), Mike Norman (Mazars) and Mark Surridge (Mazars).

Councillor Dan Salt left the meeting during Minute No. AUD11-20/21.

AUD2-20/21 AGENDA ORDER

The Chair changed the order of the agenda items to the order displayed in these Minutes with the consent of Members.

AUD3-20/21 APOLOGIES FOR ABSENCE

There were no apologies submitted.

AUD4-20/21 URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

AUD5-20/21 DECLARATIONS OF INTEREST

Members were requested to declare the existence and nature of any disclosable pecuniary interests and/or other interests not already on their register of interests.

There were no declarations made at the meeting.

AUD6-20/21 MINUTES

Moved by Councillor Tom Munro and seconded by Councillor David Dixon.

RESOLVED that the Minutes of an Audit Committee held on 28th January 2020 be approved as a true and correct record.

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AUD7-20/21 NOTES

The Chair explained that these were notes from the 25th February 2020 informal Extraordinary Audit Committee, and they were notes rather than Minutes because the meeting was not quorate.

The Chair stated he would accept and note the notes unless Members had any objections to their content. Members raised no objections.

RESOLVED that the notes of an informal Extraordinary Audit Committee held on 25th February 2020 be noted.

AUD8-20/21 INTERNAL AUDIT CONSORTIUM 2019/20 ANNUAL REPORT

The Internal Audit Consortium Manager presented the Internal Audit Consortium 2019/20 Annual Report to Members and explained that the purpose of each section of the report was to:

- 1) Present a summary of the internal audit work undertaken during 2019/20 from which the opinion on the internal control environment was derived.
- 2) Provide an opinion on the overall adequacy and effectiveness of the Council's control environment including any qualifications to that opinion.
- 3) Draw attention to any issues that need to be considered for inclusion in the Annual Governance Statement.
- 4) Compare work actually undertaken with that which was planned and summarise performance.
- 5) Comment on compliance with the Public Sector Internal Audit Standards.
- 6) Comment on the results of the internal quality assurance programme.
- 7) Confirm the organisational independence of internal audit.
- 8) Review the performance of the Internal Audit Consortium against the current Internal Audit Charter.

The Internal Audit Consortium Manager informed Members that Appendix 1 to the report detailed the Internal Audit Reports issued in 2019/20. She added that the COVID-19 pandemic had impacted the Plan because of:

- 1) Internal Audit staff working from home and getting used to a new way of working.
- 2) Difficulties in obtaining information from staff that have been redeployed or are working from home. Still some paper records that require review.
- 3) Other council staff concentrating their efforts on keeping essential services running, issuing grants to businesses etc. and so not being able to accommodate an audit or provide the information in a timely fashion.

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The Portfolio Holder for Finance and Resources wished to place on record his thanks to the Internal Audit team for their hard work in the midst of the COVID-19 pandemic.

Members had no questions on the content of the report.

It was moved by Councillor Tom Munro and seconded by Councillor David Dixon to note the Internal Audit Consortium 2019/20 Annual Report.

RESOLVED that the Internal Audit Consortium 2019/20 Annual Report be noted.

(Internal Audit Consortium Manager)

AUD9-20/21 EXTERNAL REVIEW OF INTERNAL AUDIT

The Internal Audit Consortium Manager presented the External Review of Internal Audit report to Members, with the purpose of consulting Members on the format of the external review of internal audit required by the Public Sector Internal Audit Standards.

The report proposed that Members (i) authorise proceeding with the procurement of an external provider to undertake an external assessment of the Internal Audit Consortium and Derbyshire Dales District Council, and (ii) delegate authority to the Internal Audit Consortium Manager and the Section 151 Officers to agree the specification of the assessment, to assess quotations received based on cost and quality and to appoint an external provider to undertake the assessment.

Members had no questions on the content of the report.

The two recommendations in the report were moved by Councillor Tom Munro and seconded by Councillor David Dixon.

RESOLVED that Audit Committee:

(i) Authorises proceeding with the procurement of an external provider to undertake an external assessment of the Internal Audit Consortium and Derbyshire Dales District Council.

(ii) Delegates authority to the Internal Audit Consortium Manager and the Section 151 Officers to agree the specification of the assessment, to assess quotations received based on cost and quality and to appoint an external provider to undertake the assessment.

(Section 151 Officer/Internal Audit Consortium Manager)

AUD10-20/21 REVIEW OF THE INTERNAL AUDIT CHARTER

The Internal Audit Consortium Manager presented the Internal Audit Charter Review report to Members, with the purpose of informing them of the results of a review of the Internal Audit Charter. The Public Sector Internal Audit Standards (PSIAS) state that the Head of Internal Audit must periodically review the Internal Audit Charter and present it to

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the relevant Committee for approval.

The report proposed that Members (i) note the outcome of the review of the Internal Audit Charter, (ii) agree the Internal Audit Charter subject to any comments and (iii) review the agreed Charter in a years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

Members had no questions on the content of the report.

The three recommendations in the report were moved by Councillor Tom Munro and seconded by Councillor Jim Clifton.

RESOLVED that Audit Committee:

(i) Notes the outcome of the review of the Internal Audit Charter.

(ii) Approves the Internal Audit Charter.

(iii) Approves that the agreed Internal Audit Charter be reviewed in a years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

(Internal Audit Consortium Manager)

AUD11-20/21 REPORT TO THOSE CHARGED WITH GOVERNANCE - AUDIT COMPLETION REPORT

The Chair noted that the report for this item was circulated as part of a supplementary agenda.

Mike Norman and Mark Surrige from the Council's External Auditors Mazars presented the Audit Completion Report for the year ending 31 March 2020. The purpose of the report was to summarise the audit conclusions from Mazars, which included identification of significant audit risks and other areas of management judgement.

Mark Surrige thanked Finance officers for their support during the COVID-19 pandemic.

Councillor Tom Kirkham referred to the section titled 'Pensions' in the summary of audit work in the report, and asked if pensions would be impacted by COVID-19. Mark Surrige informed Members that it would have an impact on pension fund assets in the short-term because the market value of the assets in the middle of the pandemic was sometimes unknown. He added that the long-term impact would not be fully understood until the Mazars tri-annual review in three years.

N.B. Councillor Dan Salt left the meeting at this point.

It was moved by Councillor David Dixon and seconded by Councillor Jim Clifton to note the report and letter of representation.

RESOLVED that the Audit Completion Report and Letter of Representation be noted.

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(Section 151 Officer)

AUD12-20/21 ASSESSMENT OF GOING CONCERN

The Section 151 Officer presented the Assessment of Going Concern report, which informed Members of an assessment of the Council as a 'going concern' for the purposes of producing the Statement of Accounts for 2019/20. The main factors which underpinned this assessment were:

- 1) The Council's current financial position.
- 2) The Council's projected financial position.
- 3) The Council's balance sheet.
- 4) The Council's cash flow.
- 5) The Council's governance arrangements.
- 6) The regulatory and control environment applicable to the Council as a local authority.

The report recommended that based on the assessment, the Council remains a 'going concern' and the Council's accounts for 2019/20 had appropriately been prepared on this basis.

Members had no questions on the content of the report.

The recommendation in the report to accept the assessment of the Council as a Going Concern was moved by Councillor Jim Clifton and seconded by Councillor David Dixon.

RESOLVED that the Audit Committee accepts the outcome of the assessment of the Council's 'going concern' status for the purpose of preparing the Statement of Accounts for 2019/20.

(Section 151 Officer)

AUD13-20/21 BDC STATEMENT OF ACCOUNTS 2019/20

The Section 151 Officer presented a report to Members including (at Appendix 1) the Council's Audited Statement of Accounts for 2019/20.

Members had no questions on the content of the report.

The recommendations in the report were to approve the Statement of Accounts and delegate permission to the Section 151 Officer to agree any changes with External Auditors Mazars.

The Section 151 Officer explained that some sections of the accounts had been amended since circulation but this would not change the recommendations or approval of them. The Chair requested that the Section 151 Officer circulate the updated version to

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Members via e-mail.

The two recommendations were moved by Councillor Jim Clifton and seconded by Councillor Tom Kirkham.

RESOLVED that Audit Committee:

(i) Approves the audited Statement of Accounts in respect of 2019/20.

(ii) Grants delegated powers to the Chief Financial Officer in consultation with the Chair or Deputy Chair of the Audit Committee to agree any changes agreed with the Council's external auditors Mazars, which may be necessary to ensure the completion of the Statement of Accounts by 30 November 2020.

(Section 151 Officer)

AUD14-20/21 REPORT OF INTERNAL AUDIT - SUMMARY OF PROGRESS ON THE INTERNAL AUDIT PLAN

The Internal Audit Consortium Manager presented a Summary of Progress on the Internal Audit Plan report to Members. The purpose of the report was to explain progress made by the Internal Audit Consortium in respect of the 2019/20 and 2020/21 Internal Audit Plans. The report also included a summary of internal audit reports issued since the last meeting of the committee and an appendix detailing the 2020/21 internal audit plan and progress to date.

The report's recommendations were to note the report and note/approve the impact COVID-19 had on completion of the current audit plan and would continue to in future.

Members had no questions on the content of the report.

The recommendations were moved by Councillor Tom Munro and seconded by Councillor David Dixon.

RESOLVED that Audit Committee:

(i) Notes the Summary of Progress on the Internal Audit Plan report.

(ii) Notes and approves the impact of the coronavirus on the ability to complete the current audit plan and the potential for future changes to the plan.

(Internal Audit Consortium Manager)

AUD15-20/21 AUDIT COMMITTEE PROPOSED WORK PROGRAMME 2020/21

The Section 151 Officer presented a report on the Audit Committee Work Programme for the municipal year 2020/21.

Members had no questions on the content of the report.

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It was moved by Councillor Jim Clifton and seconded by Councillor David Dixon that the Work Programme 2020/21 be noted and endorsed.

RESOLVED that Audit Committee notes and endorses the Audit Committee work programme for 2020/21 as set out in Appendix 1.

(Section 151 Officer)

The meeting concluded at 15:00 hours.