



Councillor Karl Arthur – Chair of Audit and Governance Committee

Update to Council on 18 February 2021

The Committee has met once since the last update provided to the Council on 15 December 2020. The meeting took place on Wednesday 27 January 2021.

Audit and Governance Committee Meeting – 27 January 2021

This committee meeting was very busy with 14 agenda items on it. As usual, I would like to thank officers and members for their support and input during the course of the meeting.

During my chairs address I informed members that the government had now published its response to the Redmond Review - which I updated details to members on in my previous report in December – and that a report on the government's findings would be presented to the next Audit and Governance Committee meeting in April.

Members were presented with the Information Governance Report for 2020, which provided the annual update in relation to information requests received and responded to in 2020. In response to a query regarding if there was a trend in the freedom of information subjects received it was confirmed that there was no trend in the subjects and that the Council had a robust system in place which logged and tracked all requests to ensure that they were responded to within the statutory time limits. Members noted the report.

Members received the External Annual Audit Letter 2020 and queried how confident the external auditors were that any arising issues had been captured, it was confirmed that officer liaison had not changed and that remote meetings were held on a regular basis with the finance team. Members also queried what additional work was required in terms of property valuations and pensions that justified a higher fee, as valuations for property, plant and equipment were provided by external experts. In response, it was confirmed that the higher fee charged was down to more in depth challenging and detailed conversations had taken place with the external Valuers. Members noted the report.

Turning to the External Audit Progress Report the Committee noted that since the last Committee meeting in October 2020 work on the 2019-20 Financial Statements had been completed and that an unqualified opinion had been issued along with a follow-up letter, which concluded that all the areas of outstanding work at the time of the October 2020 Committee. In terms of the audit for 2020-21 it was confirmed that

a timetable was in place with planned work scheduled to commence soon. Members noted this report.

The Committee then noted that following a Review of the Risk Management Strategy two amendments have been made in its structure:

- Firstly, that the text relating to critical links between the strategy and wider business processes have been moved to Corporate Planning; and
- Secondly, that the table detailing recurring actions undertaken in support of the strategy had been given its own section in recognition of their importance to the successful achievement of risk management objectives.

Members complimented the internal auditors on the report, which they felt to be very comprehensive, and then noted the report.

The Committee was informed that there was now a total of eleven risks on the Councils Corporate Risk Register for 2020-21, as the No Deal Brexit risk had been removed following the UK's exit from the EU and the signing of the EU-UK Trade and Co-operation agreements. However, it was confirmed that the Brexit related, risks, opportunities and issues would continue to be monitored by the Council. Members then noted the current status of the Corporate Risk Register.

The Quarterly Internal, Counter Fraud and Information Governance Report provided members with an update on the delivery of the internal audit work plan for 2020-21 along with an update on counter fraud and information governance work undertaken to date in 2020-21. It was noted that due to COVID-19, work on the annual audit plan had been delayed therefore the report updated members on the plan for completion of the work over the remainder of 2020-21. Members noted the progress on delivery of the internal audit, counter fraud and information governance work, and the plans for work to be completed in 2020-21.

The Counter Fraud Framework Update updated the Committee on the Councils Fraud and Corruption Strategy, which had been refreshed in line with the new United Kingdom National Counter Fraud Strategy for local government. The report also provided an update on the progress against the actions set out in the previous strategy and presented an updated Counter Fraud Risk Assessment, which reflected the current fraud risks facing the Council. In addition, the Counter Fraud and Corruption policy had been updated to reflect new guidelines from the Attorney General. At the end of the discussion members recommended that the Executive approve a new Counter Fraud and Corruption Strategy for 2020 to 2023 and an updated Counter Fraud and Corruption Policy and to note the updated Fraud Risk Assessment.

Members noted that progress against the approved Annual Governance Statement Action Plan 2019-20 had been made although due to the impacts of the pandemic there were some actions on-going which would be monitored by the Leadership Team in order to ensure actions were delivered to the revised deadlines.

In relation to the Veritau North Yorkshire Contract Extension 2021, the Committee were informed that the contract was initially made for seven years from April 1st 2012

to 31st March 2019 but included options to extend for three years then another two years. In 2018, the Council agreed to extend the contract for a further three years from April 2019 and that this extension was due to expire on 31st March 2022. The Committee were informed that a decision was now required whether to enter into a new extension of a further two years. The Committee agreed that, taking into consideration COVID-19 and the Local Government Review currently ongoing in North Yorkshire, that now was not the right time to change internal auditors and were supportive of the proposal and recommended to the Executive that the Veritau North Yorkshire contract for Internal Audit, Counter Fraud, Risk Management and Information Governance services be extended for a further two years until 31st March 2024.

Change of Internal Audit Counter Fraud Manager:

The committee learned that this was the final meeting of the Assistant Director of Corporate Fraud, Mr. Jonathan Dodsworth, but that he would be staying with Veritau and would still be available for support and advice if the need arise. The new Counter Fraud Manager will be Mr. Daniel Clubb, who was welcomed to his first meeting in January. I would like to put on record my thanks to Mr. Dodsworth for his hard work and support to the Committee over the past few years and wish him well for his future endeavours with Veritau.

Next Meeting of the Committee:

The next meeting of the Audit and Governance Committee will be taking place on Wednesday 21st April 2021.

I commend my statement to the council.

Councillor Karl Arthur

Chair, Audit and Governance Committee