

Minutes

Audit & Governance Committee

Venue:	Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Wednesday, 27 April 2022
Time:	5.00 pm
Present:	Councillors K Arthur (Chair), N Reader (Vice-Chair), M Jordan, J Duggan and C Richardson
Officers present:	Peter Williams (Head of Finance, present remotely), (Mark Kirkham (Partner, Mazars LLP), Abi Medic (Audit Manager, Mazars LLP), Ed Martin (Audit Manager, Veritau), Daniel Clubb (Corporate Fraud Manager, Veritau); and Dawn Drury (Democratic Services Officer)
Others present:	Councillor C Lunn (Lead Executive Member for Finance and Resources)

41 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors K Franks and D Mackay.

42 DISCLOSURES OF INTEREST

There were no disclosures of interest.

43 MINUTES

The Committee considered the minutes of the Audit and Governance Committee meeting held on 26 January 2022.

RESOLVED:

To approve the minutes of the Audit and Governance Committee meeting held on 26 January 2022.

44 CHAIR'S ADDRESS TO THE AUDIT AND GOVERNANCE COMMITTEE

There was no Chairs address.

45 AUDIT AND GOVERNANCE WORK PROGRAMME

The Committee considered the current Audit and Governance Work Programme.

Members noted that the standard item, Constitutional Amendment's, listed on the work programme as being presented at this Committee meeting had been removed; no amendments had been made to the Council's Constitution.

RESOLVED:

To note the Work Programme.

46 EXTERNAL AUDIT STRATEGY MEMORANDUM (A/21/22)

The Partner, Mazars LLP presented the report, which outlined the external audit plan for the Council for the year ending 31 March 2022.

It was explained that there were a few significant risks in carrying out the audit work, and the Manager, Mazars LLP highlighted three risks which had been deemed to be significant: management override of control, property, plant and equipment valuation; and defined benefit liability valuation, however Members were assured that these risks were not unusual across the sector.

The Committee heard that an enhanced risk had been identified in relation to the Council's National Non-Domestic Rates (NNDR) appeals provision, however the report set out the work Mazar's planned to undertake to address the risk.

In response to a query from the Chairman regarding an indication of what the likely costs would be for the overall audit fee in 2021-22 taking into consideration the fee variations, which had not been confirmed, on the opinion and value for money work being undertaken. The Partner, Mazars LLP informed Members that an actual fee would be charged rather than overestimate the cost to the Council. It was further confirmed that since the scale fee had initially been set by the Public Sector Audit Appointments Limited (PSAA) in 2018, a new Code of Audit Practice had come into force which required external auditors to carry out additional duties, and this was the reason for the fee variations.

RESOLVED:

To note the report.

47 INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION GOVERNANCE PROGRESS REPORT (A/21/23)

The Audit Manager, Veritau presented the quarterly report which provided the Committee with an update on the delivery of the internal audit work

plan for 2021-22, along with an update on the counter fraud and information governance work undertaken to date in 2021-22.

Members attention was drawn to appendices A and B within the report which showed the internal audit work in progress and the work finalised to date for 2021-22 along with the current priorities, it was confirmed that there were no areas of concern.

The Counter Fraud Manager, Veritau presented the section of the report related to the Council's counter fraud activity in 2021-22.

Members were informed that the government had introduced a new Omicron Hospitality and Leisure grant between January and March 2022 and extended the Additional Restrictions Grant scheme; criminals had been quick to target the schemes. It was noted that Veritau had shared intelligence updates from their work with other local authorities and national contacts to alert officers to potential identities and bank accounts which had been used to commit fraud.

A number of questions were asked in relation to the £150 council tax rebate payment announced by the Department for Levelling Up, Housing and Communities, that had been made to most households within council tax bands A to D. It was explained that Veritau had supported officers to prevent and detect potential fraud linked to those payments.

The Committee noted that as part of the Council's annual billing process for Council Tax, a message to residents had been included to raise fraud awareness.

And finally, Members heard that as part of the National Fraud Initiative (NFI), datasets which related to the later Covid 19 grant payment schemes had been submitted, with the expectation that matches from the data would be released in April 2022.

The Audit Manager, Veritau drew the Committee's attention to annex C of the report which provided an update on Information Governance matters, and developments in the Councils Information Governance arrangements.

In respect of the information asset register, Members noted that an updated version had been presented to the Corporate Information Governance Group (CIGG) in March 2022, and with the exception of three areas, the register was now complete and reflected the United Kingdom General Data Protection Regulation (GDPR) compliance requirements.

It was noted that the CIGG had agreed to undertake a review of the information asset register, six months hence, in consultation with the other North Yorkshire councils, to consider the alignment and consistency of information across the councils, ahead of the Local Government Reorganisation (LGR).

A query was raised regarding the details for an information security incident which had been classed as high risk, the Manager, Veritau was unable to provide an answer but stated that he would speak with the officers concerned and circulate the information.

RESOLVED:

To note progress on the delivery of internal audit, counter fraud and information governance work, and the plans for work to be completed in 2021-22.

48 INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION GOVERNANCE WORK PROGRAMMES 2022-23 (A/21/24)

The Audit Manager, Veritau presented the report, which contained the proposed Internal Audit, Counter Fraud and Information Governance Work Programmes for 2022-23.

It was explained that the proposed Work Programmes had been drafted with senior officers of the Council and summarised the overall areas where audit work was expected to be undertaken. It was further explained that the work had been prioritised towards those areas which had been considered to carry the most risk or which contributed the most to the achievement of the Council's strategic priorities and objectives.

It was highlighted that the final year of the Local Government Reorganisation (LGR) preparation would have a significant impact on the Council's risk areas, and therefore would be the focus of the internal audit work for the year.

In response to a query the Audit Manager confirmed that although Veritau provided support to the LGR workstreams, the main priority and focus for Veritau for the year 2022-23 was to support Selby District Council.

In terms of the draft Work Programme, it was confirmed that the service areas remained the same as in previous years, with some areas which linked in to LGR; however, there were a lower number of planned days in some service areas.

The Committee queried who within the Council determined what were considered to be the highest and lowest priorities, it was confirmed that discussion and consultation took place with officers of the Council, and Veritau factored in the national picture, changes within the Council and assessed the risk.

The Corporate Fraud Manager, Veritau confirmed that a summary of the planned areas of counter fraud work for 2022-23 were set out in annex 2 of the report, and included providing support to officers on regulation changes, investigation of suspected fraud, raising awareness of fraud issues through training, offering advice and support when processing National Fraud Initiative match outputs; and acting as a single point of

contact for the Department of Work and Pensions, to support housing benefit investigations.

Members queried, in the main, how suspected fraud was reported to Veritau, it was confirmed that fraud was reported by a number of sources, ranging from Council officers, members of the public, through to the National Fraud Initiative.

The Committee noted that a total of 80 days had been agreed for the information governance plan 2022-23 work, with the allocation split across five elements of the service, as detailed within annex 3.

RESOLVED:

- i. **To approve the Internal Audit Work Programme 2022-23.**
- ii. **To note the Counter Fraud and Information Governance Work Programmes 2022-23.**

49 AUDIT AND GOVERNANCE ANNUAL REPORT 2021-22 (A/21/25)

The Committee received the report from the Chair, which asked them to approve the annual report for 2021-22; and to delegate authority to the Democratic Services Officer, in consultation with the Chair, to update the final version of the annual report 2021-22 following the inclusion of details from the current meeting.

In response to a query regarding Committee membership for the 2022-23 municipal year, it was confirmed that a list of nominations, by Group Leaders, for appointments for the Chairs, Vice Chairs, members, and substitutes for Council committees for 2022-23 would be presented for approval at the meeting of Annual Council on 17 May 2022.

RESOLVED:

- i. **To approve the Annual Report of the Audit and Governance Committee for 2021-22, submitted by the Chair of the Committee.**
- ii. **To delegate authority to the Democratic Services Officer, in consultation with the Chair of the Committee, to update the final version of the Annual Report 2021-22, following the inclusion of details from the meeting on 27 April 2022.**

50 AUDIT AND GOVERNANCE WORK PROGRAMME 2022-23 (A/21/26)

The Committee considered and agreed the Audit and Governance Committee work programme for 2022-23.

RESOLVED:

**To approve the Audit and Governance Work
Audit & Governance Committee – Minutes
Wednesday, 27 April 2022**

Programme for 2022-23.

The meeting closed at 6.05 pm.