

## **NORTHUMBERLAND COUNTY COUNCIL**

### **AUDIT COMMITTEE**

At the annual meeting of the **Audit Committee** held in Committee Room 1, County Hall Morpeth on Wednesday, 28 July 2021 at 10.15 am.

#### **PRESENT**

S. Watson (Chair)

#### **COUNCILLORS**

Cessford, T.  
Dickinson, S.  
Jackson, P.

Oliver, N.  
Taylor, C.

#### **CO-OPTED MEMBERS**

Topping, P.

#### **ALSO PRESENT**

R. Wearmouth, Portfolio Holder for Corporate Services

#### **OFFICERS IN ATTENDANCE**

Hadfield, K.

Democratic and Electoral Services  
Manager.

Lally, D.  
Mason, A.  
McDonald, K.  
Mitchell, A.  
Lister, A.  
Willis, J.

Chief Executive  
Finance Manager  
Acting Chief Internal Auditor  
Head of Corporate Governance  
Principal Accountant  
Interim S151 Officer

#### **ALSO IN ATTENDANCE**

Murray, K.  
Greener, J.

Mazars  
Mazars

### **1. MEMBERSHIP AND TERMS OF REFERENCE**

The Committee noted the membership and terms of reference as appointed by Council, and the election of Mr Stephen Watson as Chair of the Committee as appointed by Council on 7 July 2021:

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**8 members (4:3:1)**

**Quorum – 3 (must be at least 2 opposition members)**

**Independent Chair: S. Watson**

**Vice Chair: D. Towns**

<b>Conservative</b>	<b>Labour</b>	<b>Independent Group</b>	<b>Liberal Democrats</b>	<b>Green Party</b>	<b>Ind Non-Grouped</b>
T. Cessford	S. Dickinson	C. Taylor			
P. Jackson	L. Grimshaw				
N. Oliver	A. Scott				
D. Towns					

**Also:**

**2 Independent Members (non-voting) – P. Topping and one vacancy**

### **Statement of purpose**

- (1) Our audit committee is a key component of Northumberland County Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- (2) The purpose of our audit committee is to provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment. It provides independent review of Northumberland County Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

### **Terms of Reference:**

#### **Governance, risk and control**

- (1) To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider annual governance reports and assurances.
- (2) To review and approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- (3) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- (4) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- (5) To monitor the effective development and operation of risk management in the Council.
- (6) To monitor progress in addressing risk-related issues reported to the Committee.
- (7) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

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- (8) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- (9) To monitor the counter-fraud strategy, actions and resources.
- (10) To review the governance and assurance arrangements for significant partnerships and arrangements.

### **Internal audit**

- (1) To approve the internal audit charter.
- (2) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- (3) To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- (4) To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- (5) To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- (6) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
- (7) To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
  - b) Regular reports on the results of the Quality Assurance and Improvement Programme.
  - c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- (7) To consider the head of internal audit's annual report:
  - a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.
  - b) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement.
- (9) To consider summaries of specific internal audit reports as requested.
- (10) To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

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- (11) To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- (12) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
- (13) To provide free and unfettered access to the Audit Committee Chair for the Head of Internal Audit, including the opportunity for a private meeting with the Committee.

### **External audit**

- (1) To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by the PSAA or the authority's auditor panel as appropriate.
- (2) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- (3) To consider specific reports as agreed with the external auditor.
- (4) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (5) To commission work from internal and external audit.
- (6) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

### **Financial reporting**

- (1) To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- (2) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Accountability arrangements**

- (1) To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.
- (2) To report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.
- (3) To publish an annual report on the work of the Committee.

The Audit Committee is also designated as the Group Audit Committee for all entities within Northumberland County Council's Accounting Group Boundary. The detailed terms of reference for this function are contained within Part 3 of the Council's Constitution.

Councillor Dickinson advised that Councillor Grimshaw would need to be replaced as a member of the Committee as she had been appointed a director of Advance.

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The Chair reported that steps were in place to appoint a further independent person.

## **2. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Towns and Scott.

## **3. MINUTES**

Councillor Oliver queried whether the Annual Governance Statement would be sent to all new members of the Committee. The S151 Officer advised that it was contained within the final accounts which were included in the agenda papers.

**RESOLVED** that the minutes of the meeting of the Audit Committee held on 24 March 2021, as circulated, be confirmed as a true record and signed by the Chair.

## **4. REPORTS OF THE EXTERNAL AUDITOR**

- (1) Interim Audit Completion Report 2019-20 and**
- (2) Final Audit Completion Report 2019-20**

Karen Murray from Mazars drew members' attention to the key points of the report, including significant risks, internal control issues and adjustments made. Member points included:-

- The Chair commented that property plant and equipment valuation was a complex issue to get sorted. If best estimate figures were being worked on, he asked if these would be adjusted at some point. Ms Murray advised that the value did need to reflect that there was a concern that values could be affected by the pandemic. This was a standard position to be in and would correct itself this year. The Chair asked whether, if the figures were very wrong, would the Authority have to wait a year to find that out. Ms Murray confirmed that Mazars were satisfied that the figures which were in the accounts now were materially correct.
- Councillor Dickinson asked about the assumptions made regarding the down value of the airport. Other authorities appeared not to have taken the same view as Northumberland and he asked how confident officers were with what was in the report. Ms Murray advised that she was happy with what was in the report but would take the question back regarding what others had done and the level of consistency.
- The Chair asked whether the same control issues were coming up year after year. Ms Murray replied that Mazars had followed up on the recommendations which had been made by their predecessors, but it was difficult for her to say if the same issues were recurring because this was their first year.
- Councillor Dickinson asked about council tax and how floor space was calculated for this. Ms Murray advised that there was no correlation between floor space and valuations for Council tax, which were assessed by the Valuation Office. This valuation put properties into a council tax band and the

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appropriate council tax was then levied for that band by the Council. It had no influence on the valuation of the property itself.

- Councillor Jackson commented that the accounts were from 18 months ago and therefore very late and asked why this was. Ms Murray replied that normally the Council should have its accounts ready by the end of May with audit completed by the end of July. MHCLG had recognised the problems associated with the pandemic and had given authorities some leeway in the timetable. The 2019-20 accounts did not have to be complete until the end of August, with audit to be completed by the end of November. But because of the change in auditors at Northumberland this had not been possible. Issues had come up which paused the work in the Autumn of 2020 and the audit had resumed at the start of 2021.
- Councillor Jackson commented that it was unusual to pause an audit and suggested that Cameron Waddell should provide an explanation about this to members. Councillor Dickinson advised that an explanation on this had been provided by Cameron to the previous Audit Committee and this could be recirculated. The Chair advised that he would raise this with Cameron for the next meeting.
- Councillor Oliver commented that there was no information on the VFM conclusion. He asked how the accounts could be signed off with outstanding VFM issues to be resolved. Cameron had provided an update at the last meeting on the VFM work but there had been nothing further. Ms Murray advised that Cameron was still working through some of the VFM issues. She would confirm that Cameron expected to issue an opinion on the financial statements without concluding on the VFM arrangements, because that could be done separately with that part of the audit left open. This did happen from time to time. The accounts could be approved by the Committee and Mazars could give an opinion on the financial statements but not on VFM, and this would be reflected in the audit report with the work completed in due course.
- Councillor Jackson commented that there were some VFM issues raised by the previous auditors, so this issue had been going on for some time. He queried when there would be some more detail on the VFM opinion. Ms Murray advised she would try and get an update and report back on the likely timescale.
- Councillor Oliver commented on the omission of a significant exit payment in the draft accounts and asked if this was an oversight. Ms Murray advised that there was nothing to indicate that this was anything other than an accidental oversight.
- Councillor Oliver referred to the deferral of loan repayments to the airport and sought clarification that loan repayments were being pushed back not being dispensed with. Mrs Willis confirmed this was the case.
- With regard to the management representation letter, Councillor Oliver sought reassurance that everything which needed to be reported, had been. Mrs Willis advised that she was satisfied that everything which needed to be disclosed in the management representation letter had been.

**RESOLVED** that the reports be received.

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**(3) Northumberland Pension Fund – Follow Up Letter and  
(4) Audit Completion Report 2019-20 – Pension Fund**

Ms Murray confirmed that all work in this area was complete and had been reported to members. She highlighted the main points of interest.

- Councillor Dickinson raised the issue of disclosures being marked as red on the traffic light system and asked if there was still an issue. Ms Murray confirmed that all outstanding information had been provided and the disclosures updated.
- Mr Topping raised the responses from the Council to recommendations regarding IT and internal controls and suggested that these were checked to ensure that they were as tight as they needed to be.

**RESOLVED** that the reports be received.

**5. REPORTS OF THE ACTING CHIEF INTERNAL AUDITOR**

**(1) 2020/21 Opinion on the Adequacy and Effectiveness of the Framework of Governance, Risk Management and Control**

The purpose of this report was to provide the annual opinion from the Chief Internal Auditor on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, taking into account the expectations of the Council's Leadership Team, Audit Committee and other key stakeholders.

Mr McDonald highlighted the main points of the report for members.

- Councillor Dickinson sought clarification of the position regarding the audit of Advance and whether they still needed to have their own audit following the recent change in audit arrangements. Mr McDonald advised that there was some overlap in the arrangements. Although he had not undertaken an audit he was aware of the changes and improvements being made. The Chair advised that he had had discussions with Mr McDonald and Ms Mitchell regarding how the Audit Committee would take on this function as the overseeing Committee.
- Councillor Cessford asked for further detail of what improvements had been agreed following the leaks of confidential information mentioned at paragraph 3.4.3 of the report. He asked what specific incidences Northumbria Police were investigating, about the level of importance referred to in the last line of the paragraph and about the scope of the investigation. In respect of improvements, Mr McDonald gave the example of confidential reports being shared individually to members and paper copies not issued in the post. Regarding the police investigation, he could only look at systems and procedures within the County Council and had no jurisdiction over any suspected criminality, which had to be referred to the police. He could not comment on what action the police might be taking. Regarding the level of importance, what he had done in the opinion was to acknowledge what had happened in recent months regarding leaks because the confidentiality of information was important.

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- Councillor Cessford queried whether any follow up was undertaken with the police to establish what they were doing following a referral. He also asked about the scope of the investigation and asked who had been interviewed about the leak of confidential information, had this been all members and officers involved or just members at that meeting? Mr McDonald advised that whilst he had been involved to some extent in some of the instances at issue, including being questioned, it was not his role to carry out the investigations generally. His role involved ensuring that the Council's policies and guidelines were adhered to. It was too soon to say whether the Police investigation had concluded, and it would be a question of checking with them for updates.

Due to a technical problem, the meeting adjourned at 11.27 am and reconvened at 11.35 am.

- Councillor Cessford asked about the client views and quality assessment and improvement programme and asked what cohort there had been for the client feedback and whether any comments received had been acted upon. Mr McDonald advised that feedback was always looked at and acted upon. He did not know how many responses the figures in the report were based on. A feedback form was always issued on the conclusion of every assignment, but responses were not always received. Further detail could be included in future reports if this would be helpful. The Chair agreed that some figures would be helpful to indicate level of feedback and identify where this could be improved. He asked that this be done for next time.
- Councillor Dickinson referred to para 3.44 and the response to the pandemic, he felt the measured statement in the report did not really reflect the Executive Team's decisions and the magnitude of the response from the County Council, or the work put in by staff. The Chair commented that the measured statement was appropriate for a document of this type, but the Committee did acknowledge the work which had been done by staff during the last 15 months.

**RESOLVED** that:-

- (a) the Chief Internal Auditor's 2020/21 'satisfactory' opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control, attached as Appendix 1 be noted; and
- (b) the opinion be considered by the organisation when finalising the Annual Governance Statement for this period; and by the Audit Committee, as a source of assurance at the time it considers the Annual Governance Statement.

**(2) Key Outcomes from Internal Audit Reports (Issued November 2020 – July 2021)**

The purpose of this report was to advise the Committee of key outcomes from Internal Audit Reports issued between November 2020 and July 2021.

- Councillor Dickinson referred to covid 19 compliance and enforcement and business grants scheme, and suggested that the Committee needed to look at the transactions which were made, particularly the provision of finance

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provided to companies which then went into liquidation or were dissolved. He felt it was important to reflect on the scale and mass of the work which had taken place and still continued. He felt it was important for the public to be able to see this. Mr McDonald acknowledged that a huge amount of funds had transferred through the Council and the work of internal audit on this continued on pre and post payment assurance. He agreed there would be a role for the Committee at the appropriate time once the ongoing procedures were finished and he would get that information together. The Chair advised that he would like to see a discrete report on this issue once the ongoing work was finished. Mr McDonald advised he could produce a summary report with a position statement for the next meeting.

- Councillor Oliver welcomed this. There had been regular returns made to MHCLG so the information flow had been there throughout the whole process. This was another great example of where the Council had responded exceptionally well to the covid crisis.
- Councillor Wearmouth sought clarification about what was trying to be achieved as the criteria for funding had been quite clear. Would businesses be checked to see whether they were still operating? The Chair commented that if a large amount of money had been spent then it was up to the Audit Committee to look at the probity, efficiency and governance of how this had been done and whether there had been any gaps between policy and practice. Mr McDonald agreed that it would be about how the criteria was set and how the grants allocated and paid out. An explanation could also be given of the work done by internal audit to minimise any fraud or error, and what action had been taken in any such cases. Members supported this approach.

**RESOLVED** that the key findings from good practice identified in, and management action taken in response to the Internal Audit reports issued and the summary of other work undertaken by Internal Audit in this period, summarised in Appendix 1, be noted.

At this point Councillor Dickinson left the meeting.

## **6. REPORTS OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE**

### **(1) Final Statement of Accounts 2019-20**

The report sought the Committee's approval of the final statement of accounts for the financial year ended 31 March 2020.

The S151 Officer presented the report. These were the final statement of accounts which incorporated all of the audit adjustments which Ms Murray had referred to. She reminded members that the external auditor's opinion came in two parts. The audit completion report made it clear that they were happy with the amended accounts. Regarding the VFM opinion, none of the issues which were still under consideration had any bearing on the financial statements, and on that basis, her advice to the Committee was that there was no reason why the financial statements could not be signed off today. Failure to do that would have quite significant knock-on effects, not least it would further delay the finalisation of the draft accounts for 2020-21. Also, because the pension fund accounts formed part of the overall Council accounts, failure to approve would have implications for every Council

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involved in the regional pension fund. She understood the points which had been raised about VFM matters and that some of these were related to ongoing issues, but she was hopeful having discussed it with Cameron, that these would be concluded in time for the September meeting. She therefore respectfully asked members to sign off the accounts as there would be far reaching implications otherwise, and there was no reason not to do so.

The Chair summed up the advice to members was that the risk of not approving the accounts was much higher than approving, not just to the Council but other Councils in the area.

- Councillor Oliver commented that he had concerns about the outstanding VFM issues but sought confirmation that by approving the accounts he would not be saying that there were no outstanding VFM issues. The S151 Officer confirmed that approving the accounts today had no bearing on the outstanding VFM issues which Cameron was considering. Councillor Oliver sought clarification that none of that work would affect the financial position in the accounts and the VFM work would continue. He queried whether this work could result in a qualified opinion. The S151 Officer advised that approving the accounts today would not in any way impinge on the VFM work and the opinion the external auditor would issue in due course. Conversely, none of the VFM issues which were under consideration would affect the financial statements. There was no interaction between the two opinions.
- Councillor Cessford queried the property plant and equipment valuations mentioned previously and asked why the valuer was being replaced if there was no blame attached to the previous issues, or whether this was standard procedure. The S151 Officer advised that the contract was due to be retendered anyway but there were issues with the approach that the previous valuer had adopted and the scope of that work. These were being addressed in the specification for the new contract.
- Councillor Oliver queried the £361,000 salary arrears paid to the coroner and how this had happened as it was a significant sum. The S151 Officer advised that this was a backdated pay claim that had arisen from a job evaluation.
- Councillor Cessford queried why the external audit costs had increased so much from one year to the next and what were the fees payable for other services. The S151 Officer advised that she would provide a written response.

Councillor Jackson advised that he would abstain from voting because the accounts were very late and did not come with the auditor's value for money opinion.

**RESOLVED** that the Statement of Accounts for the Council for the financial year ended 31 March 2020 be approved.

## **(2) Statement of Accounts - Group Boundary Review**

The report provided members of the Audit Committee with details of the boundary review which had been undertaken to determine those organisations which should have their financial statements consolidated with the Council's Statement of Accounts for the financial year ended 31 March 2021. Particular consideration was given to the position of Active Northumberland.

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The report was presented by the S151 Officer. Members were being asked to note the position only.

Mr Topping asked about Active Northumberland agreeing to establish two committees which now seemed to have been rolled into one, and whether the S151 Officer was content with that. She replied that Active Northumberland was not part of the Council and this was the conclusion the boundary review had come to so it was not for her to dictate what their governance arrangements should be. She had no issue with the fact that finance and audit committee had been merged.

**RESOLVED** that:-

- (a) the contents of the report be noted;
- (b) Audit Committee note that the financial statements of Advance Northumberland Limited will continue to be consolidated with the Council's Statement of Accounts for the financial year ended 31 March 2021;
- (c) Audit Committee note that Arch (Corporate Holdings) Limited remained dormant in financial year 2020-21 and was dissolved on 10 November 2020. As a result of this there were no figures to consolidate. A note to this effect would be included in the Council's Statement of Accounts;
- (d) Audit Committee note that Northumberland Enterprise Holdings Limited remained dormant during the financial year 2020-21. As a result of this there were no figures to consolidate. A note to this effect would be included in the Council's Statement of Accounts. Once Northumberland Enterprise Holdings Limited commences trading it was envisaged that its financial statements will be consolidated with the Council's Statement of Accounts; and
- (e) Audit Committee agree that Active Northumberland's financial statements should not be consolidated with the Council's Statement of Accounts for the financial year ended 31 March 2021.

Councillor Oliver declared a non-pecuniary interest in the following two matters and advised he would not take part in the debate.

### **(3) Pension Fund Annual Report and Accounts 2019-20**

The purpose of this report was to provide the Audit Committee with an update related to the Council's 2019-20 Pension Fund Annual Report and to assist Members in carrying out their role in reviewing the Financial Statements.

**RESOLVED** that the Pension Fund Annual Report and Accounts 2019-20 be approved.

Councillor Jackson declared a non-pecuniary interest in the following matter and advised he would not take part in the debate.

### **(4) Annual Report of the Firefighters' Pension Scheme Local Pension Board 2020-2021**

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Members were asked to receive the above report.

**RESOLVED** that the annual report be received.

## **7. URGENT BUSINESS**

The Chair reported that he had been in discussion with officers about the best way of progressing the Group Audit Committee arrangements. At the time of the last meeting of the Committee in March, there was only one non-dormant entity, but there had been some difficulty in engaging that entity in completing the governance questionnaire which had been agreed by Audit Committee.

He had discussed the current position with the Council's Director of Assurance and Chief Internal Auditor, and had identified that a good way forward would be to revisit the questionnaire with the Chief Operating Officer of Advance.

So, in the meanwhile, from this meeting onwards:

- The Chief Internal Auditor would provide the Group Audit Committee with a copy of the Audit Plan for each non-dormant entity, as an information item each year.
- there would be a standing 'Group Audit Committee' agenda item on the agenda of Audit Committee from September's meeting onwards.
- under that item, the Chief Internal Auditor would provide a short update on any internal audits completed on each non-dormant entity (e.g. audits completed and assurance levels) and any other matters he considered might be material to the framework of governance, risk management and control arising from group entities.
- the external auditor would be invited to provide any comment or information which they wished to, under the same 'Group Audit Committee' item on the agenda at each meeting (there may be a need to write separately to the partner at Mazars who deals with Advance, as he understood he and Cameron practised some type of 'ethical walls' between them. But then Mazars will have been informed formally that if there is anything they wish to raise, they have a mechanism for doing so).
- the Group Audit Committee (i.e. this committee, NCC Audit Committee) could ask any questions about governance regarding group entities under this item.

He raised this matter now in order to provide a record that he and senior officers had given some thought to County Council's decision in November, and the actions taken under the previous Chair of the committee, Councillor Hill, were progressing. He hoped members would agree that this was a sensible way forward for the issue.

Councillor Oliver supported this approach and suggested that Advance be asked to attend the Committee when reports were being reviewed so they could respond on points. There had also been a report done by KPMG so if Advance were to be discussed at the September meeting, then KPMG should be invited, along with the Chair of the Advance Shareholder Group.

In terms of the KPMG report, the Chair agreed. Regarding Advance representatives, this was acceptable when the agenda warranted it as there may not be reason for them to attend every meeting.

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Councillor Oliver asked how members could get issues onto the audit programme, and whether it would be acceptable to email committee members with his initial thoughts about that. The Chair agreed there was a need for an open and agreed mechanism to avoid lobbying by individuals.

Ms Mitchell advised members that a work programme was produced every March to make sure that the requirements for the Audit Committee as set out in the constitution were met, and so that the members knew which reports to expect and when. Decisions about the use of resources were for either the Chief Internal Auditor or the external audit partner, who were governed by a strict set of professional standards regarding what the Committee could and couldn't do. It would be wrong to suggest that the Committee could raise things which were then automatically looked at. She encouraged members to discuss any issues with the Chair or either internal or external audit, but there needed to be a debate in the Committee about the correct way of taking matters forward.

The Chair agreed on the need for clear communication and to follow the established procedures, and having the channels to do that was important.

## **8. DATE OF NEXT MEETING**

Wednesday, 22 September 2021 at 10:15 am.

At this point, Mr Topping left the meeting.

## **9. EXCLUSION OF PRESS AND PUBLIC**

### **RESOLVED**

(a) That under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the Agenda as it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and

(b) That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:-

Agenda Items	Paragraph 3 of Part 1 of Schedule 12A
11-12	Information relating to the financial or business affairs of any particular person (including the authority holding the information).  Disclosure could adversely affect the business reputation or confidence in the person/organisation, and could adversely affect commercial revenue.

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**10. REPORT OF THE ACTING CHIEF INTERNAL AUDITOR**

**Strategic Audit Plan 2020/21 – Final Monitoring Statement**

The report provided Audit Committee with a final monitoring statement in respect of the Strategic Audit Plan for 2020/21.

**RESOLVED** that the information set out in the Strategic Audit Plan Final Monitoring Statement, attached as Appendix 1 to the report be noted.

**11. REPORT OF THE SERVICE DIRECTOR- CORPORATE ASSURANCE**

**Risk Management Update**

The report provided Audit Committee with an update on progress with the development, implementation and embedding of risk management within the County Council; and informed the Committee of the latest position of the corporate risks as agreed by Executive Team and considered by Cabinet portfolio holders in April 2021.

Members raised a number of questions which were answered by officers. Members were keen to ensure that risk was being properly managed within the Authority. Ms Mitchell advised members that it was the role of the Audit Committee to oversee the management of the risk, but not to manage the risk itself. She would take the comments made back to the risk owners for further discussion.

**RESOLVED** that the content of the report be noted.

**CHAIR**.....

**DATE**.....

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