



Minutes of the Meeting of the Audit & Governance Committee

Council Chamber, Bollington Town Hall
At 10.00am on Wednesday 26 May 2021

Those Present:

Members with voting rights:

The Town Mayor Cllr Johanna Maitland

Cllrs: James Nicholas, Judy Snowball and Ken Edwards

Town Clerk: Julie Mason

Responsible Financial Officer: Jennifer Brockbank

Chair: Cllr Johanna Maitland

Public: None

AG01/21 To receive and approve apologies for absence: Cllr Roland Edwards

AG02/21 To receive any declarations of Interest: There were none.

AG03/21 To receive and confirm the Terms of Reference for this Committee:
The Committee **RESOLVED** to approve the Terms of Reference.

AG04/21 To receive and confirm the Minutes of the meeting held 27/01/21.
The Committee **RESOLVED** to approve the minutes as a correct record.

AG05/21 To receive the Internal Audit report for 2020/2021 from JDH Business Services and make recommendations to the Council. Two issues had been identified:

- **Issue 1:** The Council's Financial Regulations require the following with respect to medium term financial planning:

3.1. Each committee shall review its three-year forecast of revenue and capital receipts and payments.

3.3. The council shall consider annual budget proposals in relation to the council's three-year forecast of revenue and capital receipts and payments.

However, there is currently no three-year rolling revenue and capital financial plan in place.

Recommendation: The council should either establish a rolling three-year financial plan for revenue and capital as required by the current Financial Regulations (FRs) or update FRs to reflect the current annual budget procedure

Action: This will be referred to the Corporate Plan Working Group who will be

responsible for producing a corporate plan that includes a three-year financial plan

- **Issue 2:** The risk assessment does not address the risks of supplier (procurement) fraud.

Recommendation: The risk assessment should be updated to include supplier (procurement) fraud including the adequacy of supplier onboarding controls

Action: The Committee had been issued with the Local Government Association's Managing the Risk of Procurement Fraud information document. The risk assessment was discussed later in the meeting and this issue addressed.

Therefore, the Committee **RESOLVED** to recommend the Council approve the Internal Audit report from JDH Business Services and responded to the issues raised.

AG06/21 To receive the Financial Internal Controls Policy and make recommendations to the Council.

The Committee **RESOLVED** to recommend the Council approve the Financial Internals Controls Policy with no changes made.

AG07/21 To receive the updated Insurance Schedule from Zurich and make recommendations to the Council.

The Committee had received the report from Greenham's Commercial entitled 'Estimate of Current Reinstatement Cost for Insurance Purposes and Fire Reinstatement Appraisal for the Civic Hall, Library and Town Hall'. The insurance policy would be updated with the new valuations for the Town Hall and Civic Hall and the Committee agreed that the Civic Hall and Library should be combined as one building. RFO to contact Zurich.

The Committee **RESOLVED** to recommend the Council approve the Insurance policy from Zurich.

AG08/21 To review the Financial Risk Assessment and make recommendations to the Council

The Committee **RESOLVED** to recommend the Council approve the Financial Risk Assessment and added two additional risks and controls to manage those risks.

- a. Risk of Supplier (Procurement) Fraud
- b. Risk of Recruitment/Employment Issues/Compliance with Employment Law

With regard to item 8b. a confidential report had been submitted detailing observations from the RFO and IT & Website Officer regarding the recent recruitment process. The report identified areas of risk.

The Clerk left the discussion.

The Town Mayor asked the meeting to take this matter in a 'Part B' under Standing Orders 3d. - Meetings shall be open to the public unless their presence is prejudicial to the public interest by reason of the confidential nature of the business to be

transacted or for other special reasons. The public's exclusion from part or all of a meeting shall be by a resolution which shall give reasons for the public's exclusion.

The Committee **RESOLVED** to take this item in Part B for the following reason:
There was concern that the discussion may lead to sensitive matters in relation with staff.

The Committee agreed not to discuss the report in detail and instead appointed Cllr Snowball to lead an Audit Working Group to review the report, make enquiries and report back to this Committee. Cllr Snowball was new to the Council and her independent view would be welcome. She is an active member of the Equality, Diversity and Inclusion Working Group which would be useful. The Committee also agreed that the Audit Working Group comprise of members who were independent from the Personnel Committee and would be asking Cllr Roland Edwards and Cllr Sara Knowles to join the group. The working group may also present their findings to the Personnel & Asset Management Committee.

AG09/21 To review the Fixed Asset Register and make recommendations to the Council.

The Committee **RESOLVED** to recommend the Council approve the Fixed Asset Register.

AG10/21 Date of the Next meeting: 25/08/21 at 10.00am