

CORPORATE GOVERNANCE COMMITTEE

MONDAY, 29 JULY 2019 - 2.30 PM



PRESENT: Councillor J Clark (Chairman), Councillor K French (Vice-Chairman), Councillor I Benney, Councillor D Divine, Councillor Mrs J French, Councillor M Purser, Councillor D Topgood and Councillor Wicks

APOLOGIES: Councillor G Booth, Councillor S Clark and Councillor Wilkes

OFFICES IN ATTENDANCE: Sam Anthony (Head of HR and OD), Peter Catchpole (Corporate Director and Chief Finance Officer), Izzi Hurst (Member Services & Governance Officer), Neil Krajewski (Deputy Chief Accountant), Carol Pilson (Corporate Director and Monitoring Officer), Mark Saunders (Chief Accountant) and Kathy Woodward (Internal Audit Manager)

CGC11/19 PREVIOUS MINUTES.

The minutes of the meeting of 18 June 2019 were confirmed and signed.

CGC12/19 CORPORATE RISK REGISTER QUARTERLY REVIEW.

Members considered the Corporate Risk Register quarterly review, presented by Sam Anthony.

Sam Anthony drew member's attention to the amendments to the Corporate Risk Register.

The Corporate Governance Committee AGREED the latest Corporate Risk Register.

CGC13/19 INTERNAL AUDIT PLAN 2019-20 PROGRESS REPORT Q1.

Members considered the Internal Audit Plan 2019-20 Progress report Q1, presented by Kathy Woodward.

Kathy Woodward highlighted that amendments had been made to the reporting of recommendations shown in Appendix B of the report (page 15 of the agenda pack), as requested by Councillor Booth at a previous meeting. She informed members that the overdue recommendation (page 15 of the agenda pack) has now been satisfied and is no longer overdue.

Kathy Woodward informed members that following the recent resignation of a member of the Internal Audit Team, the team is now under resourced. She explained that the Council are currently considering options available to them and one of these options is the possibility of purchasing resource from the Borough Council of Kings Lynn & West Norfolk (BCKLWN).

As Shared Internal Audit Manager with BCKLWN, Kathy Woodward explained that a shared resource would benefit the Council as she can ensure the Council get the appropriate qualifications required for the role and the Council would benefit from more productive hours. She informed members that due to this loss in resource, some of the 'low-risk' audits in the Internal Audit Plan may be rescheduled to take place next year. She confirmed that she would update members on the progress of this.

Members asked questions, made comments and received responses as follows;

1. Councillor Wicks asked if consideration could be given to recruiting officers internally to take on some of the Council's Internal Audit work. Kathy Woodward confirmed that she would consider this option.
2. Kathy Woodward confirmed that consideration had been given to recruiting an apprentice for the role however resource is required immediately to ensure the Internal Audit Plan is delivered.
3. Councillor Mrs French highlighted the importance of the Internal Audit team's work and added that recruitment can be a long process. She agreed with the suggestion of a shared service with BCKLWN as this is a low risk option and the Council cannot afford recruitment delays.
4. Councillor Benney agreed with Councillor Mrs French that resource is required immediately. He asked if the Internal Audit team would experience any issues following the recent news about the delays involving the Council's External Auditor, Ernst & Young (EY). Councillor Clark confirmed that this would be discussed further under agenda item 8 (Items of Topical Interest).
5. Kathy Woodward explained that the Internal Audit team tend to audit the Council's finances towards the end of the year meaning the current delay with EY will have little impact on the team's work.
6. Peter Catchpole reiterated to members the distinction between the work of the Internal Audit team and External Auditors. He confirmed that he believes a shared service with BCKLWN would be of benefit to the Council as it will show a measure of independence and best practice.

Councillor Clark thanked Kathy Woodward for her attendance at today's meeting.

Members of the Corporate Governance Committee considered and noted the activity and performance of the Internal Audit Function.

CGC14/19 REGULATION OF INVESTIGATORY POWERS ACT (RIPA) - POLICY UPDATE.

Members considered the Regulation of Investigatory Powers Act (RIPA) – Policy Update report, presented by Carol Pilson.

Carol Pilson explained that the Council have to adhere to Codes of Practice issued by the Home Office and these have been updated, the Council had to amend their policy accordingly.

She informed members that the Council have not engaged RIPA in the past 12 months.

Members of the Corporate Governance Committee AGREED to recommend to Council the approval of the revised RIPA policy at their meeting in September 2019.

CGC15/19 ITEMS OF TOPICAL INTEREST.

1. Peter Catchpole explained to members that the Council is one of the Local Authorities affected by delays due to resource issues at their External Auditors, EY. The Council's accounts were due to be audited in July 2019 and their findings reported to members at today's Corporate Governance Committee meeting however the Council were made aware at very short notice that this was to be delayed. He highlighted that EY are responsible for auditing many local authorities therefore many other Council's will be affected by these delays.
2. Peter Catchpole informed members that the external audit will now take place on 7 October 2019. He added that a Press Release had been issued this morning at the request of the

Leader of the Council, Councillor Boden. He highlighted that whilst it is frustrating, there is little the Council can do. He added that the Council are considering supporting the Cambridgeshire and Peterborough Combined Authority (CPCA) in writing a letter to EY's regulators expressing their dissatisfaction with the situation.

3. Councillor Benney explained that he had attended the recent CPCA Audit and Governance Committee meeting where this issue was discussed. He agreed that the Council should support the CPCA in writing a letter and EY should provide an explanation and assurance to the Council and other Local Authorities.
4. Peter Catchpole agreed and explained that EY are currently prioritising and focusing their resources on organisations that have the 'highest audit risk'. The Council can take assurance that they are not considered a high risk organisation. He added that the delay will however have an impact on the Council's own Finance team as officers have arranged annual leave and their workload around the earlier audit date.
5. Councillor Clark asked for assurance that the Council have enough resource to accommodate the revised audit date. Mark Saunders confirmed that both he and Neil Krajewski had considered this when arranging the revised dates with EY. He added that officers should be in a position to report EY's audit results to members at the Corporate Governance Committee meeting on 5 November 2019.
6. Councillor Wicks asked if the delay will affect the Council's external audit next year. Peter Catchpole confirmed that it is not yet known whether the delay will continue into next year however officers will continue working to the previous timetable.
7. Mark Saunders explained that EY have provided the Public Sector Audit Appointments (PSAA) with assurance that their audit work will be back on track next year.
8. Councillor Clark informed members that he had attended today's Staff Committee meeting and asked Peter Catchpole to keep the Corporate Governance Committee informed of any changes which may impact the Corporate Risk Register as a result of the management structure review. Peter Catchpole agreed to this.

3.03 pm

Chairman