



**MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 NOVEMBER 2022**

PRESENT

Vice-Chairman (In the Chair)	Councillor Mrs J L Fleming, CC
Councillors	M R Edwards, A S Fluker, A L Hull, J V Keyes, E L Stephens, Mrs J C Stilts and Mrs M E Thompson
In attendance	Councillor Mrs P A Channer

407. CHAIRMAN'S NOTICES

The Chairman for the meeting, Councillor Mrs J L Fleming, welcomed all present and took the Committee through some housekeeping arrangements.

408. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors N J Skeens and W Stamp, CC.

409. MINUTES OF THE LAST MEETING

RESOLVED by assent that the Minutes of the meeting of the Committee held on 29 September 2022, be approved and confirmed.

410. DISCLOSURE OF INTEREST

There were none.

411. PUBLIC PARTICIPATION

No requests had been received.

412. INTERNAL AUDIT REPORT

The Committee considered the report of the Director of Resources and associated Internal Audit reports from BDO LLP, attached on the agenda at 6a to 6d, *Progress Report; Follow-up of Recommendations; Commercialisation and Flood Management Report*. The Chairman introduced the reports and deferred to the Internal Audit Partner to present the detail.

He advised the Committee that he would introduce the four reports take questions after each one. It was noted that the *Progress* report at 6a covered the two reports on the agenda and that there were a further two in draft *Safeguarding* and *Contract Management* awaiting final management responses which will be considered at the next meeting. There was a slight change to the workplan in that *Climate Change and Sustainability* was deferred to next year's plan to give time for the strategy to be embedded, with *Cyber Security* brought forward from next year, given the recent focus

on that area. He then took the Committee through the *Follow-up of Recommendations* report at 6b noting that seven recommendations were now complete, the overdue recommendations, relating to the management of property audit, were as a result of a delay in implementing the new property management system which will collate the data required.

The *Commercialisation Audit* at 6c was positive attaining substantial on design and moderate on effectiveness of controls. The Council had good practice in place, a clear commercial strategy together with sound governance arrangements. There had been some inconsistencies in project processes, however these related to older projects and improvements had been introduced since to rectify the situation.

There was a brief discussion on the importance of both scrutiny and a robust risk register in respect of commercialisation projects, together with a wider attendance or higher membership on the Corporate Projects Working Group. Both Councillor Channer and the Chairman advised that discussions were taking place around substitutions on working groups which would ensure appropriate levels of attendance and support for Officers in progressing key projects.

The Head of Internal Audit then presented his final report *Flood Management* at 6d which had attained moderate on both design and effectiveness of controls. Two notable improvements were around governance arrangements and the development of a Strategic Flood Action Plan. There were still some issues to be addressed e.g. training; the lack of engagement with Anglian Water and a drainage system strategy. It was acknowledged that the key issue, that of engagement from Anglian Water, was difficult for Officers to resolve, however, there had been improvement all round.

There being no further queries the Chairman moved the recommendations, they were duly seconded and the Committee agreed them by assent.

RESOLVED that the Committee considered, commented and approved the

- (i) Internal Audit Progress Report – July 2022 at 6a;
- (ii) Follow-up of Recommendations Report – July 2022 - 6b;
- (iii) Commercialisation Report– May 2022 – 6c;
- (iv) Flood Management Report - 2021/2022 – 6d.

413. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRMAN OF THE COMMITTEE DECIDES ARE URGENT

In response to a query around the lack of External Audit reporting from Deloitte, LLP and issues related to the last external audit, the Director of Resources provided the following information:-

- That an External Audit Update report was scheduled for the next meeting of the Committee.
- That nationally Local Authorities had experienced significant delays with audits. The situation was improving with auditors increasing resources and updating timeframes resulting in better progress in recent months.
- That the pressures around the audit market nationally were due partly to resourcing issues and partly to changes in audit regulations and requirements e.g. Value for Money (VFM).

- That the audit fee charges won't be agreed until the audit is complete. Fees will then be submitted to the Public Sector Audit Appointments (PSAA) the body that determines and agrees fees independently between the auditors and the Council. This body has ultimate sign-off. That a clearer picture will emerge in the next couple of months as the auditors complete the accounts for the past two years.
- That the Council had met the timeline for publication of the accounts online.
- That additional work had already been reported on aspects of re-classification e.g. Covid Grants which had to be removed from the Income and Expenditure Account and reclassified within the Balance Sheet.
- That there was no impact on the bottom line, mainly a re-classification in the accounts and all changes will be reported in the Audit Update report at the next Committee.

The meeting closed at 7.52 pm.

COUNCILLOR MRS J L FLEMING, CC
CHAIRMAN