

**BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK****AUDIT COMMITTEE**

**Minutes from the Meeting of the Audit Committee held on Monday, 28th February, 2022 at 4.30 pm in the Assembly Room, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ**

**PRESENT:** Councillor J Lowe (Chair)  
Councillors Mrs J Collingham, C Hudson (substitute for Councillor J Collop),  
C Manning, C Morley (Vice-Chair) and  
Mrs E Nockolds (substitute for Councillor P Gidney)

**Portfolio Holders:**

Councillor Mrs A Dickinson, Finance (via Zoom)

**Officers:**

Michelle Drewery, Assistant Director – Resources/Management Team  
Representative  
Ged Greaves, Corporate Performance Manager  
Carl Holland, Financial Services Manager  
Wendy Vincent, Democratic Services Officer

**A60 APOLOGIES**

Apologies for absence were received from Councillors J Collop, P Gidney, J Rust and A Ryves.

**A61 MINUTES**

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The minutes of the Audit Committee held on 22 November 2021 were agreed as a correct record and signed by the Chair.

**A62 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**A63 URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

**A64 MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

**A65**      **CHAIR'S CORRESPONDENCE**

There was no Chair's correspondence.

**A66**      **RISK MANAGEMENT POLICY AND STRATEGY REVIEW**

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The Corporate Performance Manager explained that the Council's risk management policy and strategy were due to be refreshed in March 2022.

Members were informed that the report set out proposals to enhance the Council's approach and in response to various comments made by the Committee over the last few months around discussions regarding risk management, the risk register and whilst considering the Annual Governance Statements.

The key issues and options were outlined as set out in the report.

The report introduced a draft framework and sought members' comments.

The Committee's attention was drawn to several major proposals within the policy and strategy review as set out below:

- Proposal to increase the number of times in which a formal review was carried out of the Corporate Risk Register. Currently, two formal reviews per year were undertaken and by moving to three reviews will begin to reinforce points made by the Committee regarding the risk register being a management tool to drive change and by undertaking three reviews rather than two would set up the Council up to drive that change
- Rationalisation of the Risk Register – the Corporate Risk Register contained 40 risks. Many Councils had reviewed their strategic risk registers to rationalise the number of risks and to put in place a framework to measure and monitor more risks at an operational level what was being proposed within the review of the Council's policy and strategy framework. Therefore, it was being suggested that a rationalisation exercise was carried out to condense the number of risks down to a smaller number of related risks and as forward through Directorate Plan processes each year, those risk would be captured within the Directorate Plans and a monitoring process in place to check progress on those plans. The proposal was set out in Appendix C of the report.

A final version would be presented to the Committee to take forward to Cabinet for approval.

The Corporate Performance Manager/Assistant Director, Resources responded to comments and questions in relation to:

- Increase in number of reviews proposed to be undertaken of the Risk Register per annum.
- Individual Risk Registers available for each project.
- Mechanism of reporting progress with Corporate Business Plans/Directorate Plans.
- Capital Project Risks managed by Property Services/Major Housing Projects. The Corporate Performance Manager explained that details would be clarified in the final version of the policy and strategy review.
- Corporate Risk Register recording high level risks which posed a threat or opportunity to the Council's objectives – a tool used by the Management Team to help manage risk within the Authority and a key document within the governance controls applied within the council.
- Internal Drainage Boards(IDB's)/financial sustainability, a risk not being able to be mitigated. The Assistant Director, Resources referred to the Financial Plan and reference made to uncertainty of IDB's and that there was no cap on the levies imposed. It was noted that Government lobbying was being undertaken to try and mitigate this risk.
- Rationalisation of the Corporate Risk Register.
- Ensuring statutory responsibilities were met not being recorded in the Corporate Risk Register.
- Audit Committee being made aware of the list of the council's statutory responsibilities/ legal requirements.
- Loss of ICT/backup plans.
- Cyber security attack.

The Chair thanked the Corporate Performance Manager for presenting the report.

**RESOLVED:** The Committee considered the draft and the Corporate Performance Manager noted the comments made requiring clarification in the final version of the Risk Management Policy and Strategy.

A67

### **CORPORATE RISK REGISTER MONITORING REPORT**

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The Corporate Performance Manager presented the report which set out the changes to the Corporate Risk Register since the last monitoring report to the 16 June 2021 committee meeting. It gave details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.

It was noted that the Corporate Risk Register was reviewed every 6 months by the Management Team.

The Corporate Performance Manager explained that Covid-19 had continued to have a significant impact upon the council's operating environment. It was highlighted that the Council was focused on delivering its Covid-19 recovery strategy and its response, normalisation and recovery work had had an impact upon all areas of its activities in addition to wider impacts upon the borough.

The Committee's attention was drawn to the key issues set out in the report and the Corporate Performance Manager outlined the reasons for the proposed changes.

It was explained that introduction of specific actions in the Risk Register was a change in reporting for this particular report and would carry on in future reports, incorporating actions which helped make the Register a management tool and a means of driving improvement and resilience for effectively dealing with risk management.

The Corporate Performance Manager/Assistant Director, Services responded to comments and questions in relation to:

- National Fuel shortage October 2020 – clarification given on business continuity arrangements and entry/explanation within the Risk Register.
- Appendix 1: 1.7 Staffing levels and actions appropriate to retain staff and whether a risk should be added regarding staff retention levels to mitigate the risk.
- Appendix 1: 1.12 Financial Plan may be adversely affected: Reference was made to S31 Grant provided to offset shortfall in income and whether there was an opportunity to obtain more grants for the delivery of statutory services if there were budget shortfalls.
- Appendix 1: 1.20 Virus results in national and local measures to contain outbreak with consequences for commercial services, service delivery and staff/member well-being – reduced funding being available and text to be reviewed. The Corporate Performance Manager explained that over the coming weeks when the document was reviewed it was anticipated that there would be a re-write of some of the content.
- Explanation of colour coding.
- Appendix 1: 2.1 The ability to attract new investment could be adversely affected by potential barriers in the local economy such as availability of premises, levels of skills in the workforce and related low value work. No active involvement of the New Anglia LEP/Cambridge – this needed to be checked and risk mitigation actions with the Enterprise Zone to check progress being made. The Assistant Director, Resourced noted the comments and advised that she would be looking to undertake a review.
- Scoring of risks with regard to the projects listed – carbon emissions, cost reduction programme.

The Chair thanked the Corporate Performance Manager for presenting the report.

**RESOLVED:** The Committee considered the contents of the Corporate Risk Register and confirmed agreement with Management Team's assessment of the risks to the corporate business plan/Covid-19 recovery strategy.

A68

### **MID YEAR REVIEW TREASURY REPORT 2021/2022**

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In presenting the report, the Financial Services Manager explained that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) and remained fully compliant with its requirements. It was noted that one of the primary requirements of the Code was receipt by Council of a Mid-Year Review Report.

The Financial Services Manager informed the Committee that the Code of Treasury Management and Prudential Code had just been re-published at the end of 2021.

The Committee was informed that the Mid-Year Review Report had been prepared in compliance with CIPFA's Code of Practice, and covered the following:

- A review of the Treasury Management Strategy.
- The Council's capital expenditure (prudential indicators).
- An economic update for the first six months of 2021/2022.

The Financial services Manager provided a summary of the content within the appendices set out below:

- Appendix 1 – Economic Outlook.
- Appendix 2 – Investments as at 31 October 2021.
- Appendix 3 – Borrowing as at 31 October 2021.
- Appendix 4 – Prudential Indicators.

In conclusion, the Financial Services Manager confirmed that there had no debt rescheduling, the Council met the requirements of the Treasury Management Strategy approved at Council in February 2021. There had been no changes to Treasury Management Strategy. The Council was well within meeting the Prudential Indicators as set out by CIPFA's Treasury Management Code and the Prudential Code. The Capital Programme had been revised and approved by Council on 23 February 2022 and it was explained that when outturn 2021/2022 was presented to the Committee this would be reflected and revising the indicators to reflect the Treasury Management Code and Prudential Code.

The Financial Services Manager/Assistant Director, Resources responded to questions and comments in relation to:

- Property and Projects actual as at 31 October 2021 and definition of “0” on page 92 of the Agenda.
- Maturity of investments/reinvestment.
- Capital Programme expenditure set out on page 75 of the Agenda.

The Chair thanked the Financial Services Manager for attending and presenting the mid-year report.

**RESOLVED:** The Committee noted the report and treasury activity.

A69 **CABINET FORWARD DECISIONS LIST**

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The Committee noted the Cabinet Forward Decisions List.

A70 **COMMITTEE WORK PROGRAMME**

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The following items were submitting for inclusion on the future work programme:

- Borough Council’s Statutory Requirement responsibilities/deliverables/costs – summary sheet setting out the Council’s responsibilities to enable the Audit Committee to understand how the Council operates.
- Reports – Executive Summary at the beginning of reports presented containing headline information to give context to items for consideration and to provide a better understanding for the Audit Committee.

A71 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will take place on 29 March 2022 at 5 pm in the Assembly Room, Town Hall, Saturday Market Place, King’s Lynn.

**The meeting closed at 5.33 pm**