

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Thursday, 17th December, 2020 at 3.40 pm in the Remote Meeting on Zoom and available for the public to view on WestNorfolkBC on You Tube - Zoom and You Tube

PRESENT: Councillors Mrs A Dickinson (Chair)
Councillors Miss L Bambridge, Mrs J Collingham, J Collop, B Jones, A Kemp,
C Manning, A Ryves and Mrs V Spikings

Portfolio Holders:

Councillor B Long

Under Standing Order 34:

Councillors M de Whalley, A Holmes, C Hudson, C Joyce, J Moriarty,
C Morley, S Nash and J Rust

Officers:

Noel Doran, Senior Solicitor
Ged Greaves, Senior Policy and Performance Officer
Matthew Head, Audit

A84 **WELCOME AND INTRODUCTIONS**

The Chair explained that the meeting had commenced 40 minutes later than the published time due to technical difficulties which had now been resolved.

The Chair informed the Committee that the meeting was being broadcast live on You Tube.

The recording of the meeting is available at:
<https://www.youtube.com/user/WestNorfolkBC>

The Democratic Services Officer conducted a roll call to confirm attendees.

A85 **APOLOGIES**

There were no apologies for absence.

A86 **MINUTES**

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The Chair provided a brief explanation on the draft minutes and advised that they were largely correct, but that there was a slight inconsistency on the issue of the Cross Party Working Group. Councillor Kemp proposed a Motion which was debated. The Chair summed up and a recorded vote was taken. However, in the summing up the Chair did not repeat word for word of the Motion proposed by Councillor Kemp. The draft minutes did not therefore quite reflect the Chair's wording. The Chair advised that other issues raised would be debated under urgent business.

The Chair invited the Committee to either agree the draft Minutes or vote for amendment.

Councillor Kemp commented that she would like to support the Chair in that the way she summed up was correct and reinforced her Motion:

"That the Audit Committee Cross Party Working Group continue to meet to complete the review of the KLIC report because the Independent Person did not complete the task she was asked to do, which was to look at the relationship between NWES and the Borough Council."

The proposal was seconded by Councillor Ryves.

Councillor Kemp added that in her view the minutes were correct, but to add the wording from the Chair in summing up before the vote was taken.

The Chair asked the Committee if they were in agreement with the Minutes to include the amendment proposed by Councillor Kemp.

There was no dissent from the Committee.

RESOLVED: The Committee agreed the Minutes were a correct record of the meeting held on 27 July 2020, subject to the following amendment:

The Chair stated that the proposal was for the Cross Party Working Group to continue to look into all the Terms of Reference that were agreed at the Audit Committee in March 2019.

A87

DECLARATIONS OF INTEREST

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In response to a statement from Councillor S Nash on a potential interest in Agenda Item 7 - the Anti-Fraud and Corruption Policy due to his own personal experiences with the Borough Council. The Deputy Monitoring Officer advised that Councillor Nash did not have a declaration on interest.

A88

URGENT BUSINESS UNDER STANDING ORDER 7

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The Chair invited the Deputy Monitoring Officer to outline the circumstances of the item to be considered under urgent business.

The Deputy Monitoring Officer advised that he had not been ensconced in the full detail, but explained that concerns had been subsequently raised in relation to the Audit Committee in July 2020, which resulted in the Monitoring Officer reviewing the minutes and the You Tube recording of that meeting. From the review the Monitoring Officer had identified complication on the decisions taken at the meeting and due to the complexity of the issue the matter would be referred for external legal advice to determine the legality or otherwise of the Committee's actions by seeking Counsel's Opinion. The advice would be reported back to the Committee when available.

In response to questions from Councillor Kemp, the Chair explained that there was no dispute about the accuracy of the minutes, but a question had arisen that the Audit Committee made a decision perhaps that it should not have made, which was an issue that required investigation. The Chair added that her understanding was that the Cross Party Working Group could continue its work under the existing Terms of Reference agreed in March 2019 – the two outstanding items and await Counsel's Opinion on the investigation of the relationship between NWES and the Borough Council.

The Deputy Monitoring confirmed that was correct.

Councillors C Joyce, J Moriarty and M de Whalley addressed the Committee under Standing Order 34.

Following comments from the Committee and Councillors attending under Standing Order 34, the Chair commented that the Committee should have regard to the advice received prior to the meeting from the Monitoring Officer.

In conclusion, the Chair commented that the Committee was invited to consider the following:

The Cross Party Working Group continue to work on the two remaining areas of work and await Counsel's Opinion on the remainder, relating to the investigation on the relationship between NWES and the Borough Council.

Councillor Spikings proposed that the Committee vote on the comments set out above, which was seconded by Councillor Bambridge.

The Democratic Services conducted a roll call and the above proposal was carried.

Councillor Kemp did not vote as she considered it to be an ultra vires proposal.

RESOLVED: The Cross Party Working Group continue to work on the two remaining areas of work and await Counsel's Opinion on the remainder, relating to the investigation on the relationship between NWES and the Borough Council.

A89 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

Councillors M de Whalley, A Holmes, C Hudson, C Joyce, J Moriarty, C Morley, S Nash and J Rust were present under Standing Order 34.

A90 **CHAIR'S CORRESPONDENCE**

There was no Chair's correspondence.

A91 **REVIEW OF ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY AND FRAUD RESPONSE PLAN - INTRODUCTION OF A NEW CORPORATE ANTI-FRAUD AND ANTI-CORRUPTION POLICY**

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In presenting the report the Shared Audit Manager informed the Committee that the 'Anti-Fraud and Anti-Corruption Strategy' and 'Fraud Response Plan' were last reviewed in 2016/17 and were therefore due for the 3-year review. It was explained that the documents had been reviewed and the results, were being presented to the Committee to consider and comment on before they were presented to Cabinet and Council for approval.

The Committee's attention was drawn to the key issues set out in the report.

The Shared Audit Manager and Investigations Officer responded to questions in relation to:

- How the Borough Council ensured that the invoices received were genuine and the robust processes in place to undertake the appropriate checks.
- List of the Borough Council's signatories and monetary limits/areas. The Shared Audit Manager undertook to extract

the information on signatories and invoices from the Council's systems and circulate to the Audit Committee for information.

- Consequences of fraud and the duty of the Borough Council.
- How the Borough Council dealt with fraud on a case by case basis, it was highlighted that a cost was incurred by the Council to pursue prosecution.
- Prevention of corporate fraud and contracts with third parties.
- Cyber security.
- Data Sharing Agreements.
- Fraud Steering Group – membership of 7 local authorities in Norfolk which shared best practices and emerging risks.
- Tenancy Fraud Forum.
- Internal Fraud Manual for the Internal Audit Team which comprised 300 pages and contained technical information.
- Monitoring of efficiency of processes going forward.

The Shared Audit Manager informed the Committee that Internal Audit had recently undertaken an internal audit of fraud.

Councillors M de Whalley, C Joyce, J Moriarty, C Morley and S Nash addressed the Committee under Standing Order 34.

The Chair reminded Members that the Internal Audit reports were available for the Audit Committee to view on InSite.

RESOLVED: The Committee considered the changes made to the Anti-Fraud and Anti-Corruption Strategy and recommend approval of the new Anti-Fraud and Anti-Corruption Policy documents to Cabinet and Council.

A92

AUDIT COMMITTEE DRAFT TERMS OF REFERENCE

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The Shared Audit Manager presented the report and reminded Members that the Audit Committee was established in 2006, with Terms of Reference drawn up in line with the guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). It was explained that the Terms of Reference needed to be reviewed every three years and presented to Cabinet and Council for approval. It was noted that the last review was carried out in 2016.

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

The Committee's attention was drawn to the two changes set out in the report at sections 2.2 and 2.3.

The Shared Audit Manager responded to questions in relation to:

- Training for the Audit Committee.

- Appointment of Independent Person. It was noted that a monetary allowance would be payable if an Independent Person was appointed to the Audit Committee.

Councillors C Joyce, J Moriarty and C Morley addressed the Committee under Standing Order 34.

The Committee suggested that the following items be included in the Audit Committee's Terms of Reference:

- Training for the Audit Committee on new items being presented to the Committee for consideration/determination.
- Consideration of appointing an Independent Person to be reviewed on an annual basis.
- Terms of Reference to be reviewed on a 4 yearly basis to coincide with the appointment of new Members one year after the local elections take place, to ensure any new committee and its Members are fully aware of their role to be able to effectively evaluate the current Terms of Reference.
- Budget monitoring report be available to enable Members to monitor the Council's performance against budget. To be presented to the Audit Committee on a quarterly basis.
- Risk Management/Financial Information - Members to receive a summary report on the list of reconciliations undertaken, together with the up to date position.
- Insurance – Members to receive a report on the statistics, for example, the number of claims received, trends in claims set out in table format.

The Shared Audit Manager undertook to discuss the risk management/financial information and insurance request with the Assistant Director, Resources.

At the invitation of the Chair, the Leader, Councillor Long addressed the Committee. The Leader commented that budget monitoring was in the remit of the Audit Committee, but during the last 12 months it had not been possible to publish a budget monitoring report on a monthly basis.

RESOLVED: The Audit Committee rejected the draft Terms of Reference and requested that the following amendments be made and a revised draft be presented to a future meeting:

- Training for the Audit Committee on new items being presented to the Committee for consideration/determination.
- Consideration of appointing an Independent Person to be reviewed on an annual basis.
- Terms of Reference to be reviewed on a 4 yearly basis to coincide with the appointment of new Members one year after the local elections take place, to ensure any new committee and

its Members are fully aware of their role to be able to effectively evaluate the current Terms of Reference.

- Budget monitoring report be available to enable Members to monitor the Council's performance against budget. To be presented to the Audit Committee on a quarterly basis.
- Risk Management/Financial Information - Members to receive a summary report on the list of reconciliations undertaken, together with the up to date position.
- Insurance – Members to receive a report on the statistics, for example, the number of claims received, trends in claims set out in table format.

A93

DRAFT ANNUAL GOVERNANCE STATEMENT 2019/2020

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The Senior Policy and Performance Officer explained that the report brought the Council's draft Annual Governance Statement (AGS) 2020 to the Committee for review, challenge and an opportunity to input prior to the document being finalised and considered at a future committee meeting alongside the financial accounts.

The Committee's attention was drawn to the key issues and suggested changes set out in the report.

Councillors J Moriarty and C Morley addressed the Committee under Standing Order 34.

The Senior Policy and Performance Officer responded to questions in relation to:

- Monitoring of Council owned companies, governance arrangements.
- Corporate Risk Register.
- Housing Business Plan.
- List of contracted out services – the Senior Policy and Performance Officer to check if legal services was included, to be added if not on the current list.
- Partnerships and value for money – West Norfolk Partnership and Strategic Partnership Peterborough and Cambridge combined authority.

At the invitation of the Chair, the Leader, Councillor Long addressed the Committee and explained that both the Environment and Community and Regeneration and Development Panels received regular updates. In response to questions on partnerships, it was noted that the West Norfolk Partnership did not have a funding stream but only a residual fund which was utilised for the education attainment project.

RESOLVED: The Committee reviewed the draft Annual Governance Statement 2020 (as attached) and suggested minor amendments which were noted by the Senior Policy and Performance Officer.

A94 **ANNUAL TREASURY OUTTURN REPORT 2019/2020**

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The Chair advised that the Annual Treasury Outturn Report 2019/2020 had been withdrawn from the Agenda and would be considered at a future meeting.

A95 **MAJOR PROJECTS BOARD - UPDATE FROM THE CHAIR**

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The Committee received a verbal update from the Chair, a summary of which is set out below:

- As part of the outstanding items within the Terms of Reference of the Cross Party Working Group, the group would look at both the terms of reference of the Member and Officer Major Projects Boards.
- Officer Major Projects Board continue to meet on a monthly basis. Meetings did not take place in March, April, May due to the pandemic.
- Member Major Projects Board meetings held in October 2019 and July 2020. A schedule of meetings for 2021 had been circulated.
- Cross Party Working Group now had access to the minutes of the Officer Major Projects Board.

Councillor Moriarty addressed the Committee under Standing Order 34.

A96 **CABINET FORWARD DECISIONS LIST**

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The Committee noted the Forward Decisions List.

A97 **COMMITTEE WORK PROGRAMME**

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The Assistant Director, Resources gave a verbal update on the current position with the Borough Council's Statement of Accounts for 2018/2019 and 2019/2020.

The Chair invited Members to forward any items for consideration to include on the future work programme of the Committee.

Councillor C Morley addressed the Committee under Standing Order 34.

A98 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will take place on 25 January 2021 in the remote meeting room zoom.

The meeting closed at 6.30 pm