

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Tuesday, 12th October, 2021 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, I Devereux (substitute for Councillor M Storey),
C Hudson (substitute for Councillor J Collop, C Manning, C Morley (Vice Chair),
J Rust and A Ryves

Portfolio Holders:

Councillor Mrs A Dickinson, Finance

Officers:

Alexa Baker, Monitoring Officer (via Zoom)
Jamie Hay, Senior Internal Auditor (observing via Zoom)
Dave Robson, Environmental Health Manager (via Zoom)
Wendy Vincent, Democratic Services Officer

A31 **APOLOGIES**

Apologies for absence were received from Councillors J Collop, P Gidney and M Storey.

A32 **MINUTES**

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The minutes of the Audit Committee held on 26 July 2021 were agreed as a correct record and signed by the Chair.

A33 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

A34 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A35 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

A36 **CHAIR'S CORRESPONDENCE**

There was no Chair's correspondence.

A37 **BUSINESS CONTINUITY ANNUAL UPDATE**

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The Environmental Health Manager presented the report which outlined the current position of the Council's business continuity arrangements, summarised progress made since the last update on 11 March 2020 and described work that was planned to be undertaken over the coming months.

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

The Committee was informed that the responsible officer for business continuity in the authority was an Executive Director, assisted by a group of officers from across the council – the Business Continuity Corporate Officer Group.

In conclusion, the Environmental Health Manager advised that the Council's business continuity arrangements were aligned to the principles of ISO22301 – which aimed to minimise the impact of disruptive incidents. Business continuity was not a static process; it is therefore important that, as the nature of the organisation changed, the council's business continuity arrangements reflected those changes.

In response to a question from Councillor Ryves on the situation regarding make any permanent changes on the management workflow and officers working from home, the Environmental Health Manager explained that working from home was under review. The current arrangements would remain in place until 31 March 2022, at which time Management Team would review the situation and that no permanent decision had been made. The committee was informed that officers worked on a rota basis with days in the office and at home which was a flexible arrangement.

Following questions from Councillor Collingham on social distancing and Covid measures in place for staff working in the office, the Environmental Health Manager outlined the measures which had been put in place and advised that some staff were located in other buildings and gave examples of the Town Hall, Fairstead and South Lynn Community Centre. It was explained that screens had been installed to allow staff working in the office to be spaced out more.

In responses to questions from Councillor Morley on the significant incident team, forward work plan, direct relationship and outcome, the Environmental Health Manager provided an overview of other items which had been included on the work plan which were not directly

related to the significant incident team. The Environmental Health Manager drew the Committee's attention to Appendix A which set out a flow chart summarising the overview of response to an incident.

Councillor Morley referred to his Councillor ID Card and the information on how to access the business incident portal and explained that an error had occurred. In response, the Environmental Health Manager undertook to check if there was an error and advise the committee accordingly.

Councillor Devereux asked what was the relationship between the business continuity work and the risk register, what were the business critical features and vice versa, the Environmental Health Manager commented that it was his understanding that there were a myriad of issues which may impact upon the council and there was some crossover. He added that if there was a particular issue in relation to business continuity it would remain on the Risk Register until it had been resolved.

The Chair thanked the Environmental Health Manager for presenting the annual update report.

RESOLVED: The Audit Committee:

- 1) Reviewed progress and endorsed the approach being taken to the Council's business continuity arrangements.
- 2) Confirmed it wished to receive annual updates.

A38

REVENUE OUTTURN REPORT 2020/2021

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The Assistant Director, Resources presented the Revenue Outturn 2020/2021 report which had been presented to Cabinet on 21 September 2021.

The report showed details of the major differences between actual costs/income compared to the revised estimates for 2020/2021 reported in February 2021 monitoring.

It was explained that the accounts showed the Borough's spend of £16,330,894 which was £7,866 less than the revised position following February's monitoring for 2020/2021. This included a proposal to transfer £1,690,243 to reserves for continued operations in 2021/2022 and a drawdown of £1,083,135 from reserves to fund the budget. This is a reduction of £174,405 to the estimated drawdown of £1,257,540 as reported in February monitoring position, which means the unused amount will remain within the General Fund Reserve balance that will be carried forward to 2021/2022.

The Committee was informed of the impact of Covid-19 on Local Authorities with regard to the deadline for the publishing of draft accounts. The Assistant Director, Resources advised that the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 had subsequently relaxed key reported deadlines for local authorities as set out in Section 1.1 of the report. It was highlighted that the Finance Services function had been working extremely hard to try and comply with the revised deadlines. However, Covid-19 and continuing strains on resources had continued to adversely impact the outputs, details of which were set out at Appendix 4.

The Assistant Director, Resources outlined the key issues within the report.

In response to questions and comments from Councillor Ryves on the format of the report not being user friendly, the Assistant Director, Resources invited Councillor Ryves to attend a meeting outside of the committee to discuss the format going forwards.

Following further comments from Councillor Ryves on the format of the report, the Assistant Director, Resources provided an overview of how the current format of the report had been put together from each service area. The committee was advised that Appendix 4 set out a summary of Covid spend and loss of income as reported in the previous monitoring reports during 2020/2021 and reiterated that it would be useful to discuss with Councillor Ryves expectations going forward and what officers could provide the committee with a better understanding of the information presented.

Councillor Collingham concurred with the comments made by Councillor Ryves on the current format and that it was difficult to absorb the information and tease out the relevant issues. She added that a summary document would be helpful to enable the committee to look at anomalies, check when things slipped as well as positive outcomes.

Councillor Rust concurred with the comments made by Councillor Collingham.

Councillor Collingham further added that it would be useful to have had a summary table in relation to Covid expenditure setting out the amount of funding received from Government, spend to date, funding left over and to include any set of bodies which had not received help and support.

The Chair stated that there was a common theme amongst the committee that a user friendly summary document would be helpful.

Councillor Morley stated that he supported the comments which had been made but referred to the checklist of questions which could be

used in the executive summary would be sufficient to provide a statement to the committee and gave an example of council tax collection rates.

The Assistant Director, Resources advised that the comments made had duly noted and would discuss them with the Financial Services Manager and see what could be achieved.

The Assistant Director, Resources responded to further questions from Councillor Ryves on the grants received and mechanisms in place with regard to Alive West Norfolk

The Assistant Director, Resources responded to questions from Councillor Collingham with regard to the contained outbreak management fund spending plan and monitoring arrangements and potential utilisation of some of the funding in relation to the homelessness costs which the council had incurred.

In response to questions from Councillor Rust regarding the money spent on security regarding the homelessness service, the Assistant Director, Resources advised that there were ongoing discussions on homeless expenditure and that there was a potential allocation which may address the issues raised but that she did not have the details available. It was explained that the council would review the situation and see what residual amount was incurred by the council.

Councillor Devereux referred the Committee to Appendix 4 – Covid Spend and Loss of Income and added that the table set out the total amount of extra expenditure and how it was dispersed as well as compensating for the loss of income and that the information would help to answer the questions raised earlier in the meeting.

Councillor Ryves asked it if was possible for the committee to receive a schedule setting out the loss to the Borough Council. In response, the Assistant Director, Resources explained that the figures were contained in the table on page 51 of the report together with a paragraph explaining that the Council received Sales, Fees and Charges grant income of £2,354,720 in total which partly offset the loss of income. The Assistant Director, Resources further explained that the scheme allowed for 75% of 95% of the loss to be claimed with the Council required to absorb the first 5% of loss but that not all costs were eligible to be claimed.

In response to questions from Councillor Collingham on the loss of income of car parking fees, the Assistant Director, Resources explained that the period reported on was from 1 April 2020 to 31 March 2021 when the lock down restrictions had required people to stay at home. However, when the restrictions were eased there was a significant number of tourists visiting the resort areas which saw resort car parking do well but town centres were still recovering.

Following further questions from Councillor Ryves on the expected loss of income and how this would be compensated, the Assistant Director, Resources provided an overview of how the grant was claimed and referred to the email she had received from Councillor Ryves and invited him to discuss the issues raised outside of this evening's meeting.

In response to the questions raised by Councillor Devereux on the loss of income relating to recycling and refuse collection, the Assistant Director, Resources confirmed this was principally in relation to trade waste.

The Chair thanked the Assistant Director, Resources for presenting the report.

RESOLVED: The Committee noted the contents of the report.

A39

MEMBER MAJOR PROJECTS BOARD UPDATE

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The Chair provided a verbal update on the Member Major Projects Board he attended on 29 July 2021, a summary of which is set out below:

- Presentation received on the role and functions of the Member Major Projects Board.
- Overview of potential delivery issues.
- Staff resources.
- Capacity in recruitment.
- Consultants.
- Timescale and monitoring of projects.
- Review of Board's Terms of Reference required.
- Risks associated with projects and mitigation process to ensure risks were addressed.

In response to a question from Councillor Ryves regarding the date of the next Member Major Projects Board meeting, the Democratic Services Officer advise the next meeting was currently scheduled for 10 November 2021.

RESOLVED: That the update report be noted.

A40

COMMITTEE WORK PROGRAMME

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The Assistant Director, Resources informed the Committee that the Terms of Reference had slipped off the work programme which could

have been a result of the Change of Chair and Internal Audit Manager and would therefore be considered at a future meeting.

Councillor Ryves referred to the Cross Party Working Group and outlined the two areas of work to be completed and added that he had not heard if a proposed meeting had been scheduled.

Councillor Ryves added that the Audit Committee had passed a resolution for the Cross Party Working Group to continue to meet to complete the remaining two areas of work and to look at the relationship between NWES and the Borough Council.

Councillor Dickinson, Portfolio Holder for Finance addressed the Committee

At the invitation of the Chair, the Monitoring Officer provided advice regarding the Cross Party Working Group and explained and invited Councillor Ryves to contact her after the meeting and advised that matters had move on somewhat since the Committee last considered this item.

Councillor Collingham commented on the number of items to be considered at the next meeting and asked whether an interim meeting would be required. In response, the Assistant Director, Resources explained that it was unlikely that all the items scheduled for 22 November would be available to be considered at that meeting and it may therefore be necessary to schedule an interim meeting.

A41 **CABINET FORWARD DECISIONS LIST**

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RESOLVED: The committee noted the Cabinet Forward Decisions List.

A42 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will take place on 22 November 2021 at 4.30 pm in the Assembly Room, Town Hall, Saturday Market Place, King's Lynn.

A43 **INSURANCE CLAIMS**

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The Chair invited the Assistant Director, Resources to present the report.

The Chair advised that the Appendix to the report was exempt and if Members wished to ask questions on the information set out in the Appendix, the Committee would need to consider passing a resolution to exclude the press and public.

Councillor Ryves stated that the Committee had not received any training on insurance matters and that he believed this had been discussed at the Audit Committee in December 2020 and added that he would personally like the item deferred until Members had received formal training.

The Assistant Director, Resources explained that the report contained statistical information.. She added that the insurance report had been added to the work programme but that she was not aware of the background information or objectives of the request and had therefore set out the statistical information received from Zurich on the type of claims over the financial years. The Committee was advised that there was currently a tender process to re-tender the next contract for the provision of insurance to the council. The report had been brought to the committee to ascertain what information/objectives were required going forward and then to schedule any appropriate training.

Councillor Morley commented that the purpose of the Audit Committee was to check exposure to risk and that it had financial risk controls in place, audit procure process and and that his personal opinion was that he did not see that the Audit Committee could add anything and should therefore note the report.

The Chair and Councillor Collingham concurred with the comments made by Councillor Morley to note the report and could not see what training was required.

Councillor Ryves commented that he noted the comments made by Councillor Morley, but added that insurance was a high risk area and that in his view he would like training.

In response, the Chair advised that he would take the points made into consideration and would discuss training requirements with relevant officers and such training would be available to all Members of the Council.

Councillor Devereux asked if the insurance policy and strategy and implemented was identified as a in the risk register and if so at what level because that would determine any course of action and was it regarded as a significant risk. In response, the Assistant Director Resources explained that she did not have the information to hand but would circulate the information by email to the Committee.

The Assistant Director, Resources responded to questions from Councillor Hudson on the excess payments of £6,000 and insurance reserves. It was noted that the insurance reserves had not been used in the last three financial years.

Councillor Morley commented that on examining the detail in the Appendices, one could read where the risk lies. The Council needed to engage an insurance company which was skilled in managing the highest risk claims. The Council appeared to have been successful in appointing a company that had rebuffed the majority of these, therefore risk was being contained and the paper should be noted.

The Chair thanked the Assistant Director, Resources for presenting the report.

RESOLVED: The Committee noted the contents of the report.

The meeting closed at 6.04 pm