

FINANCE, RESOURCES, AUDIT AND GOVERNANCE COMMITTEE

Minutes of a meeting of the Finance, Resources, Audit and Governance Committee of South Norfolk District Council, held on Friday 9 July 2021 at 9.30am.

Committee Members Present: Councillors: P Hardy (Chairman), C Brown, A Dearnley, B Duffin and T Laidlaw

Apologies for Absence: Councillor: D Elmer, G Minshull and S Ridley

Officers in Attendance: The Head of Internal Audit (S Storm), the Internal Audit Manager (F Haywood) and the Internal Audit Trainee (E Voinic)

269 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

Members considered the report, which reviewed the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2020/21 during the period 2 March 2021 to 29 June 2021. She explained that all audit work for 2020/21 had now been completed and was covered in this report.

In respect of the suggested recommendations regarding the Economic Development department, the Internal Audit Manager explained that a full assurance review would take place in 2022/23, and that a report would be produced to confirm whether the recommendations had been accepted, the person responsible and the timeframe for action.

Members discussed home-working and the undertaking of audits remotely during the Covid 19 pandemic and queried if this had affected the evidence gathering process. The Internal Audit Manager confirmed that the increased use of digital technology during the pandemic had benefitted evidence gathering, but acknowledged that there were drawbacks to homeworking and that there was still a need for some in person work to take place, she suggested that future audits would take on a hybrid approach.

Further queries arose regarding what the balance between home and office-based working would be to ensure excellent customer service would be maintained. The Internal Audit Manager advised members that a large

number of officers wished to continue with home-based working and that strong management processes would be utilised to ensure output and performance was maintained, she reassured members that officers would continue to be located where the business and customer need required them to be.

Members discussed the eight 'reasonable' assurances, and it was noted that prior to the One Team collaboration South Norfolk Council had achieved some 'substantial' assurances, one member queried whether or not the collaboration had allowed for progress to be made. the Internal Audit Manager reminded members that the Internal Audit Plan had to be revised to take into account Covid 19 and that 8 'reasonable' assurances during a global pandemic was a great outcome. She added that there were some areas where Broadland and South Norfolk still have different policies, systems and processes in place and that adapting to a new way of working would have had an impact on the control framework.

In response to questions regarding the HR and Payroll audit, the Internal Audit Manager confirmed that there had been issues with the new payroll system as had been noted by both officers and members, but that these could not be evidenced at the time the audit was carried out. She explained that the issues raised would be considered during the next review.

With regard to the significant delays faced, she explained that a number of causes were responsible for the delays and that the Eastern Internal Audit Services and the Internal Audit team were working to streamline processes, undertake a communication strategy to improve officer's engagement with Internal Audit.

During further discussion several queries were raised, the Committee requested that the Internal Audit Manager reported back to them responses to the following:

- Confirmation on whether the contract with ARP Enforcement Agency had now been signed by the Council and ARP.
- Whether the root cause of the Council's Authorised Signatory List not being up to date during the first half of 2020/21 had been identified.
- Clarity on whether "the average number of days taken to change customers addresses" (page 29 of the agenda) referred to working days or actual days.
- Clarity where it stated "the time taken to process the assessment of new claims for both Broadland and South Norfolk is below the national average" on what the national average was and how far below the average the Councils were.
- Confirm whether there was an exact date or timeline for the periodic customer satisfaction survey to be developed and implemented

It was then,

RESOLVED

To note the outcomes of the completed Internal Audit Plan for 2020/21.

270 FOLLOW UP REPORT ON INTERNAL AUDIT RECOMMENDATIONS

The Internal Audit Manager presented the report, which informed members of the progress made in relation to management's implementation of agreed internal audit recommendations falling due by 31 March 2021. She advised members that there were no urgent or important recommendations, which was unprecedented and a very positive position for the Council to be in.

The Chairman congratulated CMLT on the excellent audit position and thanked all officers involved for their hard work in achieving it.

It was then,

RESOLVED

To note the position in relation to the completion of agreed Internal Audit recommendations as at 31 March 2021.

271 HEAD OF INTERNAL AUDIT'S ANNUAL REPORT AND OPINION FOR 2020/21

The Head of Internal Audit presented the report, which informed members of the annual internal audit opinion on the Councils governance risk management and control framework and evaluates the effectiveness of the internal audit function for 2020/21.

It was noted that no issues should be reflected in the Annual Governance Statement and that the annual review of effectiveness had raised no issues. The Head of Internal Audit added that an external assessment of Internal Audits work, which must be undertaken every five years, was due to take place in 2022.

She advised the Committee that the Internal Audit Plan had been revised to take into account the Covid 19 pandemic as agreed by the Committee, she reassured members that the audit work had shown that the Councils ability to deliver core services had not been significantly impacted by the pandemic. She provided a summary of the work undertaken and explained that all areas had been graded as 'reasonable', which was a positive outcome for the Council.

One member queried what the Economic Development service area position statement meant. The Internal Audit Manager explained that the position statement was an advisory piece of work which would help management to design the control framework. She added that the position statement would be followed up with an assurance assessment.

The Head of Internal Audit advised the Committee that no opinion had been given on the issuing of business grants during the pandemic, however there would be a post award review in 2021/22. The Internal Audit Manager added that eight days had been allocated to undertake the review, a scoping exercise would be carried out and the most significant risks considered, she informed members that a report would be brought to the Committee once complete.

A vote was taken, and it was unanimously,

RESOLVED

To

- a) Note that a reasonable audit opinion has been given in relation to the overall adequacy and effectiveness of the Council's framework of governance, risk management and control for the year ended 31 March 2021.
- b) Note that the opinions expressed together with any significant matters arising from Internal Audit work and contained within this report should be given due consideration, when developing and reviewing the Council's Annual Governance Statement for 2020/21.
- c) Note the conclusions of the Review of the Effectiveness of Internal Audit.

272 WORK PROGRAMME

Members considered and noted the Finance, Resources, Audit and Governance Committee's Work Programme. The Chairman advised the Committee that the self-assessment of the FRAG Committee would be brought to the 4 February Committee Meeting.

(The meeting concluded at 10.16am)

Chairman