

# AUDIT AND RISK MANAGEMENT COMMITTEE

**MONDAY, 22 JULY 2024 - 4.00 PM**



**PRESENT:** Councillor K French (Chairman), Councillor G Christy, Councillor Mrs J French and Councillor S Tierney

**APOLOGIES:** Councillor J Mockett (Vice-Chairman) and Councillor G Booth

**OFFICERS IN ATTENDANCE:** Stephen Beacher (Head of ICT Digital & Resilience), Peter Catchpole (Corporate Director and Chief Finance Officer), Deborah Moss (Head of Internal Audit), Mark Saunders (Chief Accountant), David Thacker (Interim Internal Audit Manager), Sian Warren (Deputy Chief Accountant) and Linda Albon (Member Services & Governance Officer)

## **ARMC1/24 TO APPOINT A CHAIRMAN FOR THE MUNICIPAL YEAR**

It was proposed by Councillor Mrs French, seconded by Councillor Tierney and agreed that Councillor Kim French be appointed as Chairman of the Audit and Risk Management Committee for the municipal year 2024/25.

## **ARMC2/24 PREVIOUS MINUTES.**

The minutes of the meeting held 25 March 2024 were approved and signed.

## **ARMC3/24 TO APPOINT A VICE CHAIRMAN FOR THE MUNICIPAL YEAR**

It was proposed by Councillor Miss French, seconded by Councillor Mrs French and agreed that Councillor Mockett be appointed as Chairman of the Audit and Risk Management Committee for the municipal year 2024/25.

## **ARMC4/24 INTERIM VALUE FOR MONEY REPORT 22/23**

Members considered the Interim Value for Money Report 22/23 presented by Mark Hodgson from Ernst & Young.

Members made comments, asked questions and received responses as follows:

- Councillor Christy asked if there would be any significant implications arising from the draft accounts being published late. Mark Hodgson responded that what is important is the conclusion reached about the rationale for why they were late, and it means different things to different stakeholders. It was clear in the notice published by Council at the time and national media attention given to the fact that there have been delays which has a knock-on effect. In his opinion there is no conclusion to be drawn providing there is a timetable in place to catch up. That was discussed as part of the audit plan at the last committee meeting and publication of the 23/24 draft set of statements and hitting that timetable will be key to a conclusion going forward.
- Peter Catchpole said it was a deliberate decision not to publish the 23/24 draft statement of accounts because of other priorities, although they will likely be published in August. An audit is not due until October, so this is not being seen as a big issue but is more a matter of resource prioritisation. Given the amount of public interest in the Council's accounts when they are

published, he does not think it a huge risk.

**Proposed by Councillor Christy, seconded by Councillor Mrs French and AGREED to note the Interim Value for Money Report 22/23.**

#### **ARMC5/24 VERBAL UPDATE ON 'RESET AND RECOVER' APPROACH ON LOCAL GOVERNMENT AUDITS**

Members considered the verbal update on the 'Reset and Recover' approach on local government audits provided by Mark Hodgson from Ernst & Young.

**Members AGREED the update on the 'Reset and Recover' approach on local government audits.**

*(Following this item, Peter Catchpole announced it was Mark Hodgson's last meeting with the Audit & Risk Committee. As Fenland District Council is considered low risk, he is moving on to work in areas deemed greater risk. Peter thanked Mark for being part of the Council's audit pattern over the last five years and wished him all the best for the future. Councillor Miss French also gave her thanks on behalf of the Committee).*

#### **ARMC6/24 DRAFT ANNUAL GOVERNANCE STATEMENT 2023/24**

Members considered the Draft Annual Governance Statement 2023/24 presented by David Thacker, Interim Internal Audit Manager.

David Thacker added that this would be his last meeting with Fenland District Council following the recruitment of Deborah Moss, whom he introduced as the new Head of Internal Audit and who will be attending future meetings. Councillor Miss French thanked David Thacker for his help and input during his time with the Council and welcomed Deborah Moss. Peter Catchpole echoed Councillor Miss French's comments and additionally thanked David Thacker for helping to move the service on; he has left the new corporate governance group in a good place where improvements will continue to be made.

Members made comments, asked questions and received comments as follows:

- Councillor Christy referred to the CIPFA Position Statement on Audit Committees 2022 which recommends that audit committees have an independent member in a non-political role to advise the Chairman and he wondered if that is something this Council should have. Peter Catchpole responded that a paper on independent members had previously been brought to this Committee and is on the workplan for discussion at a later date.

**Proposed by Councillor Tierney, seconded by Councillor Christy and AGREED to approve the draft Annual Governance Statement 2023/24.**

#### **ARMC7/24 INTERNAL AUDIT OUTTURN AND QUALITY ASSURANCE REVIEW**

Members considered the Internal Audit Outturn and Quality Assurance Review report presented by David Thacker, Interim Internal Audit Manager.

Members made comments, asked questions and received responses as follows:

- Councillor Christy referred to ARP's 6-monthly review of systems access and asked if that is regular enough, particularly in respect of the leavers process. David Thacker agreed that restricted access still being available once people had left was high risk, but ARP have acknowledged that and will be undertaking reviews more frequently.
- Councillor Christy expressed his concern that Trading Operations for Estates was deemed

high-risk due to the lack of an Asset Management Plan going as far back as 2019/20. Peter Catchpole responded that this situation arose with the loss of the Council's Property and Asset Management Team, so the plan was never completed. However, the new head of service commenced a year ago and this is one of his objectives as it is important and needs to stay on the capital programme.

- Councillor Christy referred to the importance of staff to complete cyber security training given recent high profile ransomware attacks and the resulting effects. Stephen Beacher responded that training for 2024/25 is now being planned.

**Proposed by Councillor Christy, seconded by Councillor Mrs French and AGREED:**

- **To note the outturn for Internal Audit for 2023-24, which highlights the audits that were completed as per the agreed Internal Audit Plan, and their associated assurance ratings and also the additional assurances gained from other sources of work completed inhouse and externally to support the Annual Audit Opinion.**
- **To note the Interim Internal Audit Manager's opinion on the "adequacy" of GRC processes.**

### **ARMC8/24 RISK REGISTER - QUARTERLY UPDATE**

Members considered the Corporate Risk Register quarterly update presented by Stephen Beacher, Head of ICT, Digital and Resilience.

Members made comments, asked questions and received responses as follows:

- Councillor Mrs French referred to the potential rise in internal drainage board (IDB) levies. Additional funding is expected in 2024-25 to mitigate against significant rises. but there are rumours that the new government is planning to dissolve IDBs and put the money into environmental agencies so it will be interesting to see if any money is received. Peter Catchpole said he had previously reported that both he and Councillor Miscandlon are part of a special interest group lobbying for the way IDBs are funded.
- Councillor Christy referred again to cyber resilience and asked if the Committee could be given more information about it and how prepared the Council is although he understood that this element would need to take place in closed session. Stephen Beacher agreed that he would be happy to provide members with more information in a closed session.
- Councillor Mrs French asked for more information on plans for the collection of 10,000 tonnes of mixed dry recycling and she would like to know what the Health Cash Plan scheme for staff is. Stephen Beacher said he would find out the information regarding dry recycling. Councillor Miss French advised that the Health Cash Plan scheme is a form of medical insurance where staff can claim back certain medical care costs.

**Members AGREED the latest Corporate Risk Register.**

### **ARMC9/24 AUDIT AND RISK MANAGEMENT COMMITTEE ANNUAL REPORT 2023/24**

Members considered the Audit and Risk Management Committee Annual Report 2023/24 presented by David Thacker.

Councillor Miss French commented that the report is a form of self-assessment exercise for the Committee and as such she thought it important to include member attendance statistics.

**Proposed by Councillor Mrs French, seconded by Councillor Christy and AGREED to approve the Audit and Risk Management Committee Annual Report for 2023/24 to be forwarded to Full Council.**

## **ARMC10/24 AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME**

Members considered the Audit and Risk Management Committee Workplan.

Councillor Christy asked that the closed session on cyber security be added for a future meeting as discussed.

**Members noted the workplan and agreed for it to be updated as appropriate.**

## **ARMC11/24 ITEMS OF TOPICAL INTEREST.**

There were no items of topical interest.

4.48 pm

Chairman