

**Audit Committee**  
**Minutes of the Meeting held on Thursday 21 April 2022 at 2pm in**  
**Council Chamber, County Hall, Martineau Lane Norwich**

**Present:**

Cllr Ian Mackie – Chairman  
Cllr Terry Jermy  
Cllr Mark Kiddle-Morris  
Cllr Robert Savage  
Cllr Tony White

Cllr Emma Corlett (for Item 4 only)

**In attendance:**

Joanne Fernandez Graham	Corporate Accounting Manager
Simon George	Executive Director for Finance & Commercial Services
Jonathan Hall	Committee Officer
Thomas Osborne	Risk Management Officer
Steve Rayner	Head of Insurance
Andrew Reeve	Investigative Auditor
Adrian Thompson	Assistant Director of Finance (Audit) / Chief Internal Auditor

External Auditors

Mark Hodgson & Sappho Powell – Ernst & Young LLP.

**1 Apologies for Absence**

- 1.1 Apologies were received from Cllr Saul Penfold. Cllr Karen Vincent was also absent.

**2 Minutes**

- 2.1 The minutes from the Audit Committee meeting held on 3<sup>rd</sup> February 2022 were agreed as an accurate record.

**3 Declaration of Interests**

- 3.1 None declared.

**4 Items of Urgent Business**

- 4.1 The Chairman advised he had a couple of items to bring to the committee's attention:

**1. Question from Local Member**

The Chairman advised that a question, concerning access to the Big Holiday Fun Scheme, had been received in line with the constitution appendix 8 (6.1) and the response was published on the Council website and circulated at the meeting. The question and the response are attached to these minutes at

Appendix A. In attending the meeting Cllr Corlett thanked the Chairman for such a comprehensive answer and asked the following supplementary question: How might any learnings be captured in the interim period to the scheduled audit date in Spring 2023? The Chairman responded by saying that he would expect officers to take forward any learnings from the scheme that had run over the Easter school holidays and to apply these during the school holiday periods throughout the remainder of 2022 and beyond.

The Chairman allowed a further question on the matter from Cllr Jermy who requested that members of the committee are involved in the wider audit of the scheme to allow feedback following issues experienced by residents and their families. The Chairman advised members that the audit programme for 22/23 had been agreed at the previous committee meeting and if any members wished to express concerns, they should do so via Children's Services department in the normal way.

#### 4.2 **2. East of England Audit Chairman's Forum**

The Chairman advised the Committee that the first East of England Audit Chairman's Forum meeting had taken place via Microsoft Teams and had been well received. The Forum was looking forward to its first meeting face to face on 7<sup>th</sup> July 2022 at County Hall in Norwich. Norfolk County Council were leading on the forum and John Pye from the Combined Authority of Cambridgeshire and Peterborough had been appointed to the Vice Chairman role.

### 5. **Governance, Control and Risk Management of Treasury Management 2021-22**

The Committee received a report by the Executive Director of Finance and Commercial Services which assured Councillors that there were effective governance, control and risk management arrangements in place in respect of Treasury Management.

#### 5.1 The following key points were noted:

- The Chartered Institute of Public Finance and Accountancy (CIPFA) new code of practice issued in December 2021 was already, were practical, being incorporated into the monthly Cabinet reports ahead of the changes being fully implemented in 2023-4 by regulation.
- Officers were content that the services provided by Link Asset Services did represent good value for money and that the length of the contract (8 years) was partly due to the very low number of companies in the market being able to provide such services.

#### 5.2 **The Committee RESOLVED to agree the report, noting that it provided assurance to the Audit Committee as to the adequacy and effectiveness of the governance, control and risk management arrangements for Treasury Management.**

### 6 **External Audit Update**

#### 6.1 The Committee welcomed Mark Hodgson and Sappho Powell who attended the meeting from Ernst & Young to present an update and answer questions. A presentation was undertaken a copy of which is attached to these minutes at Appendix B.

- 6.2 In response to questions to the External Auditors the following was noted:
- The risk to the County Council concerning the loss of European grant funding following Brexit was relatively limited from an audit risk perspective. The County Council was in most cases the holder and facilitator of funds as opposed to being responsible for spending and investment. Guarantees from the Treasury concerning funding was also allowing programmes to continue normally. This area was also covered on the corporate risk register.
- 6.3 The committee noted the report and thanked the External Auditors for their work and for attending the meeting.

## 7. **Audit Committee Terms of Reference**

The Committee received a report by the Executive Director of Finance & Commercial Services which set out the Committee's terms of reference and recommended changes which were considered to be consequential.

**The Committee RESOLVED to agree the terms of reference for the Audit Committee with the recommended changes.**

## 8. **Norfolk County Council's Insurance Cover**

8.1 The Committee received a report by the Executive Director of Finance and Commercial Services which provided the Committee with assurance as to how the insurance provision was delivered for the County Council and how claims against the Council were managed by the Insurance Team.

8.2 The following points were also discussed and noted:

- The data used in the report covered the period to 31 December 2021 and therefore did not extend to the period during early 2022 when several severe storms had taken place in quick succession, causing damage to buildings and other council owned assets.
- Generally, weather conditions relating to snow and ice over the winter period had been good and infrastructure had not suffered as much as in past years.
- The Council's insurance premiums had seen a low increase of around 5% which was much lower than many local authorities had experienced.
- The Council has a limit of £260,000 to self insure. Any claim above that level would be passed on to the insurer to deal with. The level is set for the management team and is not subject to one individual officer making a decision.

8.3 **The Committee RESOLVED to agree that a proper insurance provision existed where appropriate, as confirmed by external and internal reviews and accept the report.**

## 9. **Norfolk Audit Services Report for the Quarter ending 31 March 2022**

9.1 The Committee received the report by the Executive Director of Finance & Commercial Services supporting the remit of the Audit Committee in providing proactive leadership and direction on audit governance and risk management issues. The report updated the Committee on the progress of the delivery of the internal audit work and advised on the overall opinion of the effectiveness of risk management and internal control which was considered to be adequate and sound.

9.2 **The Committee RESOLVED to agree the key messages featured in the quarterly report, that the work and assurance meet their requirements and advise if further information is required.**

## 10. Risk Management Report

- 10.1 The committee received the report by the Executive Director of Finance & Commercial Services referencing the corporate risk register as it stood in April 2022 following the latest risk management report presented to cabinet in March 2022.
- 10.2 The Risk Management Officer introduced the appended report (10) and highlighted to the committee the changes in the corporate risks at Appendix A. It was noted that the on going war in Ukraine had increased the likelihood of a cyber attack on the Council's IT system (**RM010**) but it was still considered to be relatively low.

Progress had been made with regard to Adult Social Services (**RM023**) and the reduction in risk reflected the work the work the department had been doing to mitigate concerns.

Contingency planning work being carried out across all services had also seen risk (**RM032**) reduce in likelihood.

It was also noted that departmental risk registers will reflect the ongoing issues around recruitment of staff, particularly for care sector staff for Adult Social Care. Work has started to help support recruitment and retention of staff although there is still much to do, and the situation is being carefully monitored. It was acknowledged that an increase in performance and quantity of third party providers of adult social care services are critical to reduce the risks involved.

The risks relating to the Norwich Western Link project continued to be monitored (**RM033**) following the call in to the Scrutiny Committee on 23<sup>rd</sup> March 2022 with an update due in a Cabinet report in June 2022.

### 10.3 The Committee Resolved to agree:

- a. The key messages as per paragraphs 2.1 and 2.2 of this report
- b. The key changes to the corporate risk register (Appendix A);
- c. The corporate risk heat map (Appendix B);
- d. The latest generic corporate risks (Appendix C);
- e. Scrutiny options for managing corporate risks (Appendix D);
- f. Background Information (Appendix E)

### 9. Work Programme

The Committee received the report by the Executive Director of Finance and Commercial Services setting out the work programme. The Committee considered and **noted** the report.

Meeting ended at 3.02pm

Cllr Ian Mackie - Chairman