



# STROUD DISTRICT COUNCIL

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## AUDIT AND STANDARDS COMMITTEE

26 May 2020

7.00 pm – 8.01 pm

Remote Meeting

Minutes

# 3

### Membership:

<b>Councillor Nigel Studdert-Kennedy (Chair)</b>	P	Councillor Stephen Davies	P
<b>Councillor Tom Williams (Vice-Chair)</b>	P	Councillor Karen McKeown	P
Councillor Dorcas Binns	P	Councillor Keith Pearson	P
Councillor Miranda Clifton	P	Councillor Mark Reeves	P
Councillor Rachel Curley	P		

A = Absent P = Present

### Officers Present:

Interim Head of Legal Services and Monitoring Officer	Head of Audit Risk Assurance (ARA) (Chief Internal Auditor)
Strategic Director of Resources	Democratic Services and Elections Officer
Corporate Policy and Governance Manager	

### AC.001

### APOLOGIES

There were none.

### AC.002

### DECLARATIONS OF INTEREST

There were none.

### AC.003

### MINUTES

**RESOLVED**

**That the Minutes of the meeting held on 28 January 2020 are approved as a correct record.**

### AC.004

### PUBLIC QUESTION TIME

There were none.

**AC.005****RISK BASED INTERNAL AUDIT PLAN 2020/21**

The Head of ARA introduced the report and advised that the Audit and Standards Committee were required to formally approve the Risk Based Internal Audit Plan. It was advised that the plan was prepared prior to the Coronavirus Pandemic and contained the activities discussed at the risk based planning workshop, which was held with the Committee on 2 December 2019, and following robust consultation with the Strategic Leadership Team at Stroud District Council. The Head of ARA confirmed that the audit plan was stated in terms of estimated days, and drew the committee's attention to page 15 which showed that the plan was estimated to be 463 audit days, the same number of days as the 2019/20 audit plan.

The Head of ARA stated that the audits that were due to be carried out were listed from page 18 onwards. However, due to Coronavirus the audit plan would need to be changed to allow for a reassessment of the risk and the risk profiles, they had therefore prepared a quarter 1 rolling plan from the original 2020/21 audit plan. The rolling plan included the audits that they were able to commence remotely, and included Brimscombe Port project management arrangements, Electrical Works Contract, Procurement, Processing new starters on Payroll and the Complaints Process.

It was also stated that two Auditors had currently been redeployed to help support the Revenue and Benefits Manager and the S151 Officer and were now involved with the business grants process and supporting supplier relief.

Councillor Reeves asked for explanation regarding the priority 1 and priority 2 allocations and whether it was an effective system due to the large number of priority 1's allocated. The Head of ARA advised that it was a very challenging target and that they don't allocate any contingency days, the plan is dynamic and if all of the priority 1's cannot be achieved then this would be reported to the S151 Officer and the Committee. The Head of ARA advised that she would take the question away and consider the prioritisation system.

Councillor Binns also asked for further clarification on the priority listings and whether there were priority 3 and priority 4 categories. The Head of ARA advised that they would consider priority 1 as high priority and priority 2 as medium priority, they would not carry out audits on low priorities as they needed to ensure they make the most of the resources available. Councillor Binns also asked for clarification as to how the 5 audits had been chosen for the quarter 1 rolling plan, and how they had prioritised these. The Head of ARA confirmed that they have been prioritised based on the fact that they could be carried out remotely.

Councillor McKeown voiced concerns regarding auditors being redeployed to operational tasks. The Head of ARA provided reassurance that any auditors who had been redeployed to operational tasks would not be carrying out audits in these areas in the future. She also advised that it was important that they maintain their independence and that many other audit teams had redeployed their auditors to various operational tasks to help during this crisis.

Councillor Curley questioned how the Committee would feed back into the audit plan throughout the year and how they can influence which audits continue if the audit team are not able to carry out all of the scheduled audits due to Coronavirus. The Head of ARA advised that a further planning workshop would need to take place, similar to the workshop in December 2019, to allow the Committee to have an input to the plan. She confirmed that she would speak with the Strategic Director of Resources and S151 Officer about this.

The Strategic Director of Resources confirmed that an informal session would be arranged to look at and revise the audit plan which could then be taken to Committee in September to be

approved. There would be a key role for the Committee in looking at and working out what needs to be prioritised or added to the audit plan.

On being put to the vote, the Motion was carried unanimously.

- RESOLVED**
- a) **Agree that the Annual Risk Based Internal Audit Plan 2020/21 reflects the current risk profile of the Council; and**
  - b) **Approve the Annual Risk Based Internal Audit Plan 2020/21 as detailed in Appendix A.**

#### **AC.006**

#### **STANDING ITEMS**

- (a) Work Programme

The Head of ARA advised that the Counter Fraud and Corruption Strategy would be added to the Agenda for the July Committee.

The Strategic Director of Resources advised that the deadline for the accounts had changed; the Council would need to have produced the accounts by the end of August instead of May and the audit would need to be completed by the end of November instead of the end of July. He confirmed that even though the deadlines had been extended they would try to complete the accounts by the end of June and the audit by the end of July. However, the audit was unlikely to be fully completed by the Committee meeting on 29 July and therefore an additional Committee meeting in September may be required. He also advised that the Annual Governance Statement was being prioritised and they were aiming to complete it in time for the July Committee.

Cllr Williams advised that it was important that the Audit and Standards Committee had enough meetings to ensure that democratic scrutiny and oversight continued and that the Committee has the opportunity to stay abreast of the changes that were occurring due to the Coronavirus. Cllr Pearson agreed that the work programme would need to remain fluid to allow for changes due to the Coronavirus.

#### **AC.007**

#### **MEMBERS' QUESTIONS**

There were none.

The meeting closed at 8.01 pm.

Chair