

**AUDIT COMMITTEE**  
Wednesday, 21 April 2021

**PRESENT** – Councillors Lee (Chair), Baldwin, Crudass and McEwan

**APOLOGIES** – Councillors Durham and Paley

**ALSO IN ATTENDANCE** – Michael Mason (Ernst and Young LLP)

**OFFICERS IN ATTENDANCE** – Peter Carrick (Finance Manager Central/Treasury Management), Luke Swinhoe (Assistant Director Law and Governance), Lee Downey (Complaints and Information Governance Manager), Andrew Barber (Audit and Risk Manager, Stockton Borough Council), Allison Hill (Democratic Officer) and Chris Oates (ICT Strategy and Operations Manager)

**A36 DECLARATIONS OF INTEREST**

There were no declarations of interest reported at this meeting.

**A37 MINUTES**

Submitted – The Minutes (previously circulated) of the meetings of this Audit Committee held on 27 January 2021.

**RESOLVED** – That the Minutes of the Audit Committee held on 27 January 2021 be approved as a correct record.

**A38 ICT STRATEGY - IMPLEMENTATION PROGRESS REPORT**

The Assistant Director, Xentrall Services submitted a report to outline the progress of the implementation of the ICT Strategy, a requirement of the Chief Officer's Board (COB) to report six-monthly to the Audit Committee.

It was reported that the current ICT Strategy focusses on three strategic priorities being ICT Governance and Service Development; ICT Strategic Architecture; and Council Service Development and Transformation.

The submitted reported summarised progress on the main activities within each of the priorities.

**RESOLVED** – That the report be noted.

**A39 ANNUAL GRANTS CERTIFICATION REPORT 2019/20**

The Managing Director submitted a report (previously circulated) to present the Annual Grants Certification Report and the results of the external audit testing.

It was reported that the external audit work undertaken by Ernst and Young (EY) had

identified that the Housing Subsidy claim certified did not require a qualification letter although there were three minor errors that amounted to £12.48 in total and no amendment was made to the claim.

It was also reported that EY had identified two exceptions with regard to the Housing Pooling return; the Teachers Pension return was submitted on time and EY identified exceptions totalling £150.72 due to four members of staff being included in incorrect bandings; and the Homes England Compliance Audit Checklist for 2019/20 was also completed by EY with no issues.

EY did not identify any significant issues that required being brought to the attention of Members from any of these claims.

**RESOLVED** – That the report be noted.

#### **A40 ETHICAL GOVERNANCE AND MEMBER STANDARDS - UPDATE REPORT**

The Managing Director submitted a report (previously circulated) to update Members on issue relevant to member standards and ethical governance since the last report to this Audit Committee in September 2020.

The submitted report also set out a number of datasets of ethical indicators to assist in monitoring the ethical health of the Council and to be able to identify any unusual or significant trends or changes in the volume of data recorded for the relevant period that might provide an alert to any deterioration in the ethical health of the authority.

It was reported that there were no particular issues of concern that had been identified from reviewing the data.

**RESOLVED** – That the report be noted.

#### **A41 INTERNAL AUDIT CHARTER AND AUDIT PLANNING**

The Audit and Risk Manager submitted a report (previously circulated) to advise Members of the Internal Audit Charter and the proposed approach to delivering the audit service for the coming financial year 2021-2022.

The Audit Charter outlines how combined internal audit service will be delivered to Darlington Borough Council and Stockton-on-Tees Borough Council.

It was reported that it was a requirement for the Council to have an internal audit function is outlined in Section 151 of the Local Government Act 1972; more specific requirements are detailed in the Accounts and Audit (England & Wales) Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

**RESOLVED** – That this Audit Committee approves the Internal Audit Charter and the

rights of access conferred within.

#### **A42 AUDIT SERVICES ACTIVITY REPORT**

The Audit and Risk Manager submitted a report (previously circulated) to provide Members with a progress report of activity and proposed activity for the next period.

The submitted report outlined progress to date on audit assignment work, consultancy/contingency activity and highlighted the change in approach from traditional audit assignments to individual control testing and reporting and the different approach in terms of reporting on activity to be developed further in the coming months; and the move away from annual audit planning to quarterly planning to enable the service to respond more effectively to the changing risk environment.

Also previously circulated was detailed feedback on the performance of the service and the position in relation to completion of audit work.

**RESOLVED** – That the activity be noted.

#### **A43 INFORMATION GOVERNANCE PROGRAMME PROGRESS REPORT**

The Managing Director submitted a report (previously circulated) on the progress and planned developments of the information governance programme.

It was reported delivery of the governance programme would provide the assurance required and would reduce the information risks to an acceptable level and recognises that the data processing activities of the Council continually evolve and must be kept under review.

The submitted report outlined the ongoing work which included preparation for data protection after the EU Exit transition period ends, as the highest priority in the information governance programme; review of the Council's Information Asset Register (IAR) and Privacy Notices; provision of advice to ensure the Council's CCTV is compliant with the General Data Protection Regulations/Data Protection Act 2018 and the Protection of Freedoms Act 2012; and work to achieve our target for the completion of on-line mandatory information governance training courses.

**RESOLVED** – That the progress on the implementation of the Information Governance Programme be noted.