

DURHAM COUNTY COUNCIL

At a Meeting of **Audit Committee** held in **Council Chamber, County Hall, Durham** on **Thursday 30 September 2021 at 9.30 am**

Present:

Councillor A Watson (Chair)

Members of the Committee:

Councillors L Fenwick (Vice-Chair), B Avery, M Johnson, M McGaun, R Ormerod and T Smith

Co-opted Members:

Mr C Robinson and Mr I Rudd

1 Apologies for absence

Apologies for absence were received from Councillors A Jackson and B Kellett.

2 Minutes

The minutes of the meeting held on 30 July 2021 were agreed as a correct record and signed by the Chair.

Matter Arising

Mr Robinson noted that at the last meeting it was reported that a detailed report would be provided on the strategic non-key risks. The Committee was informed that this information would be submitted to the meeting scheduled to be held on 29 November 2021 as part of the next scheduled Strategic Risk Management Progress Report for 2021/2022.

3 Declarations of interest

There were no declarations of interest.

4 2020/2021 Annual Health, Safety and Wellbeing Performance Report

The Committee received an annual report of the Occupational Health and Safety Manager, which provided health, safety and wellbeing (HSW) performance for 2020/21 (for copy see file of Minutes).

Resolved:

That the report be noted

5 Quarter 1 2021/2022 Health, Safety and Wellbeing Performance Report

The Committee considered a report of the Occupational Health and Safety Manager which provided an update on the Council's Health, Safety and Wellbeing (HSW) performance for Quarter one 2021/22 (for copy see file of minutes).

The Occupational Health and Safety Manager highlighted the key areas of the report including:

- Quarter 4 incidents in numbers
- COVID 19 Health and Safety Update
- Audit and Inspections
- Fire Incidents
- HSE Inspections
- Employee Health and Wellbeing
- Occupational Health Service
- Open Water Safety
- COVID 19 Activity Data
- Potentially Violent Persons Register

Resolved:

That the report be agreed.

6 Treasury Management Outturn 2020/2021

The Committee considered a report of the Interim Corporate Director of Resources which provided information on the treasury management outturn position for 2020/21 (for copy see file of minutes).

Mr Rudd noted the positive position and referred to the further increase in liabilities following a five yearly rent review at Freeman's Reach, including PFI and long term lease obligations. The Interim Corporate Director of

Resources stated that the increase in liabilities included other long-term liabilities. The Member was assured that the increase in the long-term liability in respect of the property at Freeman's Reach had been expected, budgeted for and was included in the Medium Term Financial Plan.

Resolved:

That the report be noted.

7 Update on the Independent Review of Local Authority Financial Reporting and Audit (Redmond Review)

The Committee considered a report of the Interim Corporate Director of Resources which provided an update on the outcome of the Redmond Review (the Review) into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting (for copy see file of minutes).

Resolved:

That the report be noted.

8 Audit Completion Report 2020/2021 - Durham County Council

The Committee considered the Audit Completion Report of the External Auditor relating to the year ended 31 March 2021 which provided a summary of all audit conclusions (for copy see file of minutes).

In taking Members through the report, James Collins, Senior Manager, Mazars was pleased to confirm that there were no significant difficulties encountered during the audit which was carried out remotely due to the ongoing impact of COVID 19 and that they had been able to issue as unqualified opinion on the accounts. He noted that the Value for Money Assessment had not yet been fully completed and signed off but that the work had been substantially completed. He thanked the Team for their co-operation and for the standard of the accounts and working papers that had been provided.

Resolved:

That the report be noted.

9 Audit Completion Report 2020/2021 - Pension Fund

The Committee considered the Audit Completion Report of the External Auditor relating to the Durham County Council Pension Fund, for the year ended 31 March 2021 (for copy see file of minutes).

In taking Members through the report, Mark Kirkham, Partner, Mazars reported that there were good arrangements in place and a high level of compliance which had enabled the accounts to be signed off.

Resolved:

That the report be noted.

10 Annual Governance Statement for the year April 2020 to March 2021

The Committee considered a report of the Interim Corporate Director of Resources which sought approval of the Annual Governance Statement (AGS) for 2020/21.

Resolved:

That the report be approved.

11 Statement of Accounts for the year ended 31 March 2021

The Committee considered a report of the Interim Corporate Director of Resources which sought the approval of the council's statement of accounts for the financial year ended 31 March 2021 (for copy see file of minutes).

The Interim Corporate Director of Resources conveyed his thanks to the Team for the considerable effort required to complete the Statement of Accounts by the statutory deadline, noting that very few authorities had been able to achieve this, and extended his thanks to the External Auditor and his Team for their assistance throughout the process. This was endorsed by the Committee.

Resolved:

That the statement of accounts for the council, including the pension fund financial statements, for the financial year ended 31 March 2021 be approved.

12 Report of the Audit Committee for the Period September 2020 to August 2021

The Committee considered a report of the Chair of the Audit Committee that reflected the work undertaken by the Committee and which covered the period September 2020 to August 2021 and how the Committee continued to provide good governance across the Council (for copy see file of Minutes).

Resolved:

That the report be noted and presented to Council by the Chair.

13 Internal Audit Progress Report Quarter Ended 30 June 2021

The Committee considered a report of the Interim Chief Internal Auditor and Corporate Fraud Manager, which provided details of the work that had been carried out by Internal Audit during the period 1 April 2021 to 30 June 2021 as part of the Annual Internal Audit Plan 2021/2022 (for copy see file of minutes).

Resolved:

That the report be noted.

14 Exclusion of the public

That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1,2,3 and 5 of Schedule 12A of the Act.

15 Financial Reporting Council Review of Mazars LLP's audit of Durham County Council's financial statements and the Value for Money arrangements conclusion for the year ended 31 March 2020

The Committee considered a report of the Chair of the Audit Committee that informed of the outcome of the Financial Reporting Council Review of Mazars LLP's audit of Durham County Council's financial statements and the Value for Money arrangements conclusion for the year ended 31 March 2020 (for copy see file of Minutes).

Resolved:

That the report be noted.

16 Financial Reporting Council Review of Mazars LLP's audit of the financial statements of Durham County Council Pension Fund for the year ended 31 March 2020

The Committee considered a report of the Chair of the Audit Committee that informed of the outcome of the Financial Reporting Council Review of Mazars LLP's audit of the financial statements of Durham County Council's Pension Fund for the year ended 31 March 2020 (for copy see file of Minutes).

Resolved:

That the report be noted.

17 Internal Audit Progress Report Quarter Ended 30 June 2021

The Committee considered Appendices 6 and 7 of the report of the Interim Chief Internal Auditor and Corporate Fraud Manager which detailed the actions agreed by managers in response to internal audit recommendations that were outstanding (for copy see file of Minutes).

The Strategic Manager Looked After Children and Head of Transactional Services attended to provide the Committee with an update on the actions that had been implemented following Limited Assurance Opinion Audits.

Resolved:

That the report be noted.