

AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON: 3rd February 2021

ATTENDING

Councillors:

Councillor Chapman (Chairman)	Councillor Symington
Councillor Silwal	Councillor Townsend
Councillor SO.Mahmood	Councillor Birnie
Councillor Elliot	Councillor Douris

Outside Representatives:

DBC Officers:

James Deane
Nigel Howcutt
John Worts
Fiona Jump
M Sells, Member Support Officer (Minutes)

Grant Thornton

Amber Bannister
Sarah Ironmonger

TIAA

Philip Lazenby

The Meeting commenced at. 18:30

No.	AGENDA ITEM
1	APOLOGIES FOR ABSENCE No Apologies were received
2	MINUTES OF THE PREVIOUS MEETING The Minutes of the previous meeting were review and agreed

3	<p>DECLARATIONS OF INTEREST</p> <p>There were no Declarations of Interest.</p>
4	<p>PUBLIC PARTICIPATION</p> <p>There was no public Participation.</p>
5	<p>EXTERNAL AUDIT</p> <p>Annual Audit Letter – Presented by Amber Banister</p> <p>The letter is the final deliverable from the 19/20 financial statement audit, the findings were presented back in September 2020, and at that stage the audit was substantially complete with a few outstanding assurances from the pension fund auditor at HCC. The purpose of the letter is to present a complete set of findings and captures anything additional between the September meeting and 10 November when the audit was signed off.</p> <p>There was one additional finding to report, which is in relation to pensions, this didn't result in any amendments to the accounts and is immaterial in nature.</p> <p>Both the Housing benefit subsidy claim and the Pooling housing capital receipts return Have deadlines of 29 January, both have been completed with reports provided to the relevant bodies.</p> <p>Everything from 19/20 is now complete.</p> <p>The regular liaison meetings have continued with the finance department with a focus on planning for 2021, key finance staff have been invited to the virtual key accountant's workshop which will be held in February.</p> <p>Planning and risk assessments for the 2021 audit will take place in March, following this an audit plan will be produced and then presented to the committee.</p> <p>Councillor Birnie, would like an explanation as to what the McCloud judgement is, AB explains it is in relation to pensions and is a judgement where there is a case around age discrimination.</p> <p>Councillor Birnie would also like to know what the Housing Benefit subsidy claim is, AB explains it is a return that is made to the DWP to claim back the housing benefit subsidy that DBC have paid throughout year.</p> <p>Councillor Silwal would like clarification regarding the fees mentioned in the letter, AB explains the 64,80 was last year's fee, 56,480 is the scale fee set by the PSAA, the 63,980 was in the audit plan which is the scale fee plus the an extra fee for additional work.</p> <p>Councillor Birnie feels the value for money conclusion didn't reflect reality: it is stated that</p>

1.7M was used from the reserves where as in actual fact DBC have been able to put 1.76m back into the reserves as a result of the various grants by the government. He is surprised these observation are required as part of the audit. AB explains that the value for money work will change slightly for 20/21 as previously explained. This work is required and is set by the code of practice. Going forward more detail will be provided in the report which will provide more clarity.

James Deane said that the vfm conclusion was a key part of the external audit and that it provided an important guide for the Audit committee from a 3rd party external auditor to show that the right decisions are being made to maximise sustainability, and that these decisions were supported by sound governance processes. JD welcomes the proposals for more in-depth reporting around Value for Money and feels it will add real value to an organisation.

Councillor Symington would like clarification around the materiality percentages. AB explains with Materiality there are several decisions to be made, thresholds are the percentages, this is on a sliding scale and is dependent on the circumstances, the highest level it can be set at is 2%, this indicates low risk and minimal foreseen change. The other things to consider is the bench mark, this is based around what the account readers are interested in which tends to be the companies spend.

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INTERNAL AUDIT

Internal Audit progress Reports - Presented by Philip Lazenby

Key Financial Controls

A substantial assurance was provided.

It was felt the documents provided by DBC were exemplar.

Commercial asset Management

A substantial assurance was provided.

There was one recommendation, this was in relation to the potential loss of income for next year, and this has been agreed by management with a deadline for February 2021.

GDPR

Reasonable assurance was provided with 6 recommendation made.

Completion dates have been agreed.

Councillor Silwal would like to know if there have been any cyber security risks due to Covid-19. PL confirms there have been no risks identified within DBC or TIAA.

Nigel Howcutt comments that there have been no concerns regarding data sharing or

	<p>cyber security.</p> <p>Councillor Birnie would like clarification regarding the site improved reports referred to on page 32. PL and NH explain this was a recommendation raised by the predecessors, the report is produced by DBC and is in relation to business continuity, it is outstanding at the moment and a revised implementation date set in place for later this month, more information will be provided at the next committee.</p> <p>Councillor Birnie would like to know if the review of the business continuity plan has been completed. PL explains this is yet to be completed but confirms it will be ready to be presented at the next audit committee.</p> <p>Councillor Birnie would like to know who the BSD officer is, Fiona Jump explains this is the business systems developer and is the systems accountant based within the ICT service. This individual is responsible for helping DBC use the finical systems in the best way possible, developing the reporting and taking care of the administrations of that system.</p> <p>John Worts found the audit experience very useful and constructive and would like to thank the TIAA team. Many of the recommendations are already part of the ongoing work plan. The E-records work is a big task and is ongoing. In respect of the privacy notices, there are a further 6 which are due to be published, there are only 2 left to complete. In relation to Cyber Security, DBC have to submit a code of connection, this is an attestation of DBC security and must be submitted each year to the cabinet office. A certificate of compliance was received on January 10th from the cabinet office.</p> <p>Councillor Townsend enquires if John Worts is comfortable with the end of September deadlines, JW confirms he is.</p> <p>Councillor Symington would like to know how all this information about recommendations will be fed back to the committee. PL explains there are regular follow up and the information is updated regularly in their systems. He also confirms that on the run up to an Audit Committee meeting TIAA perform a sweep of their systems so that they can provide the latest information about any outstanding recommendations.</p> <p>Nigel Howcutt would like it noted that the finance team have done an incredible job to achieve these results. In terms of GDPR, the constantly changing circumstances makes this an incredibly difficult job to keep up to date, John Worts is doing a wonderful job and his efforts are appreciated.</p>
7	<p>WORK PROGRAMME</p> <p>Nigel Howcutt would like the Strategic risk register to be added to the agenda for the next audit committee.</p> <p>Councillor Townsend would like to know when the external member of the audit committee will be added to the agenda. N.Howcutt will discuss this with J.Deane and report back to the committee.</p>
	<p>There being no further business the meeting ended at 20:00</p>

