

AUDIT AND GOVERNANCE COMMITTEE 30/07/2020

Present: Councillor John Brynmor Hughes (Chair)
Councillor Angela Russell (Vice-chair) (up to the end of item 12)

Councillors: Aled Evans, Alwyn Gruffydd, Medwyn Hughes, Aled Wyn Jones, Berwyn P Jones, Huw W Jones, Dewi Roberts, John Pughe Roberts, Paul Rowlinson, Angela Russell and Gethin Glyn Williams (item 10 onwards)

Sharon Warnes (Lay Member)

Officers: Dafydd Edwards (Head of Finance Department), Dewi Morgan (Assistant Head - Revenue and Risk), Ffion Madog Evans (Senior Finance Manager), Luned Fôn Jones (Audit Manager), Delyth Jones-Thomas (Investment Manager), Siân Pugh (Group Accountant - Corporate and Projects) and Lowri Haf Evans (Democratic Services Officer)

Others invited:

Councillor Ioan Thomas (Cabinet Member – Finance)
Councillor Edgar Owen (Council Chairman)

Ian Howse (Deloitte)
Alan Hughes (Wales Audit Office)

1. APOLOGIES:

An apology was received by Councillor Sion W. Jones

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any members present.

3. URGENT ITEMS

None to note

4. MINUTES

The Chair confirmed the minutes of the meeting of this committee, held on 13 February 2020, as a true record.

5. GWYNEDD COUNCIL'S ANNUAL GOVERNANCE STATEMENT FOR 2019/20

The statement was presented by the Assistant Head - Revenue and Risk who explained that the statement, although not part of the accounts, was a statutory document which needed to be published with the accounts. In accordance with the Accounts and Audit (Wales) Regulations and the CIPFA Code of Practice, all Local Authorities must ensure that a statement of internal management is in place. It was reported that it was the Chief Executive and the Council Leader who were required to sign the document, although the Audit and Governance Committee's approval was needed.

Some background was given to the report, noting that all Local Authorities had a duty to present an annual statement, and that although the format or method had changed, that the content of these documents was very similar. In Gwynedd, it was the Governance Arrangement Assessment Group, led by the Chief Executive, who reviewed the risk register. The group would discuss risks within 22 different governance fields, noting the controls the Council had in place in order to mitigate the risks. This was done in response to the CIPFA framework which identified core principles for good governance.

It was reported that the group had concluded that there was no field of extremely high risk; and that there was one high risk field, 11 medium risk fields, and 10 low risk fields. It was noted that 'Culture' was the high risk field, the reasoning behind this being that an inappropriate culture within the Council could hinder all aspects of governance. Despite this, it was emphasised that the Ffordd Gwynedd Vision showed very good examples with generally significant progress; although this was not consistent across the Council as yet. It was added that the schedule had slipped somewhat due to the Covid-19 pandemic, but that there were examples of Ffordd Gwynedd culture helping matters in some areas during the response to the crisis.

Attention was drawn to the fact that only one risk score had changed over the year, namely Reviewing Outcomes, due to a failure to learn lessons from experience, and continuing to do the same things incorrectly.

During the ensuing discussion, the following observations were made by Members:

- Concern regarding the Council's accountability and a clause in the report which expressed that there was 'no great aspiration amongst the public to hold the Council accountable'. This wording was considered insulting, and it was considered that there was an aspiration amongst the public but that there was a lack of trust due to difficult decisions made in the past. Although it was Members who represented the public, regular members had no powers as they were not involved in discussions, and so it was possible that the public were losing their connection due to this.
- Contact with Members had been poor during lockdown. A lack of communication with the Chairs of 'small' committees
- Lack of input into decisions - had received information regarding decisions but it would have been good to have been aware of what was being discussed beforehand.
- The risk score had not changed from year to year. Why had there been no response to the challenge? Why had there been no improvement?
- Fields for development had been agreed upon - how was the public's 'input' measured and would public opinion be included?
- It was perhaps too soon to judge as there had been considerable pressure to respond to the impact of the pandemic and to make the right decisions.

In response, the Head of Finance Department noted that a large amount of additional work had been undertaken on top of the daily work, in order to prioritise resources and ensure the continuation of services in response to the impact of the pandemic. It was added that all efforts had been made to use all possible resources, and that there had been no intention not to communicate.

RESOLVED to approve the (draft) statement, subject to amending the fourth clause in the 'Accountability' section to delete the referral to the lack of aspiration amongst the public to hold the Council accountable; and to recommend that the Council Leader and the Chief Executive sign the statement

6. FINAL ACCOUNTS 2019/20 – REVENUE OUT-TURN

The Cabinet Member for Finance noted that the report had been submitted to the Cabinet on 16 June 2020 and that the Cabinet had approved all the recommendations and financial transactions. He emphasised that the Cabinet Members were all aware of their responsibility to keep to the budget. He noted that the situation in Adult Care and the overspend in the Children and Families Department highlighted cause for concern.

The Senior Finance Manager set out the context and elaborated on the content of the report. Reference was made to a department by department summary of the situation, which highlighted the sums to be carried forward at the end of the year. It was highlighted that the Children and Families Department had an overspend of £3.4m at the end of the financial year, and that the Highways and Municipal Department had an overspend of £547k. Attention was drawn to the further details (appendix 2) and the evident and significant pressure facing the fields of care and waste management in attempting to reduce the impact on the people of Gwynedd by avoiding cutting services. Evidence was seen that there were difficulties in achieving savings.

It was shown that the Adults Department had seen an improvement in the financial situation by the end of the financial year, as a result of receiving and re-directing late grants and using one-off finance of 420k. Without these additional contributions, the department would have overspent by £1.5m; however, additional bids to the value of £1.8m had been received for 2020/21.

It was reported that there had been a further increase in the overspend tendency on operational services, placement and post-16 in the Children and Families Department; and so overspend of £3.4m was reported. It was reiterated that the situation was not unique to Gwynedd but rather a familiar situation across all authorities. Despite this, the situation continued to be one of concern and despite the further allocation of almost £2m to the Department's 2020/21 budget to address the increasing pressure, the failure to realise savings was a matter which needed to be solved - it was intended for this to be addressed in a further report to the Cabinet.

Further observations:

- Highways and Municipal showed a reduction but waste had been a problematic area this year
- Schools' balances had increased from £4m to £4.3m
- Education and YGC had performed better than expected during the year
- The Environment Department had seen underspend, and there had been one-off underspend on several corporate headings
- Following a review of the adequacy of the Council's specific provisions and reserves at the closure of accounts, £825k of resources had been collected.

In response to a comment regarding the fact that several departments had included staff turnover as a problem, it was noted that, in general, if capital expenditure was not taken into account, ¾ of expenditure would be staff expenditure and that it was therefore inevitable that staff issues would arise. It was added that bids had been approved in certain departments to help with this situation.

RESOLVED

- **to accept the situation and the relevant risks in the context of the Council's budgets and its departments**
- **to accept the Cabinet's decisions (16/6/20)**

7. GWYNEDD COUNCIL ACCOUNTS STATEMENT 2019/20

The Cabinet Member for Finance took the opportunity to thank all staff at the Finance Department for ensuring that the Council's Accounts Statement had been prepared by 15 June. It was noted that since then, Welsh Government had extended the submission date to November as a number of Councils had confirmed that it would not be possible for them to complete the task by June. The Cabinet Member took great pride, under all the circumstances, in the fact that the Council had managed to complete the statement due to the commitment of department staff during a highly challenging time. He added that the Council's priority since March had been to protect vulnerable people in our communities.

The Head of Finance added that the statement had been completed in the statutory manner, and noted that the pension figures had skewed the overall figures - these were referred to as paper figures and in order to provide somewhat better understanding of the situation, he referred to the information regarding movements in the reserves (page 79). It was felt that it would be necessary to submit the statement, as it would have dated by the Committee's next meeting (14/09/20). As it would not be possible for Deloitte to complete its audit of the accounts until September, it was considered that the Committee could, at that meeting, focus on the external auditors' audit. The Senior Finance Manager added that six sets of accounts had been completed and in the statement's context, it was noted that it was a complex and lengthy statement which adhered to the CIPFA standard form. Attention was drawn to the narrative report and to the main issues contained within the report.

RESOLVED to accept the Statutory Statement of Accounts (pre audit draft) for information

8. GWYNEDD HARBOURS' FINAL ACCOUNTS 2019/20

The Senior Finance Manager submitted the report and it was explained that Gwynedd, in accordance with the statutory requirements under the Harbours Act 1964, as a harbour authority, was required to provide an annual accounts statement relating to the activities of Barmouth, Aberdyfi, Pwllheli and Porthmadog harbours. Due to the turnover of the harbours being below £2.5m, Gwynedd Harbours was considered to be a small local government body, and therefore completion of an accounts statement form provided by Wales Audit satisfied the statutory requirements.

Reference was made to the income and expenditure account and it was highlighted that despite the income being below target, there was an underspend of £10.5k (maintenance staffing). Attention was drawn to the external auditors' standard form and it was noted that the accounts had already been the subject of an internal audit and, since May, the subject of an external audit undertaken by Deloitte. It was added that an amended version would only be presented to the Committee's next meeting on 14 September 2020 if there was a need to implement changes following audit.

RESOLVED to accept and approve the information
- 2019/20 Income and Revenue Expenditure Account
- Statement of Accounts form for the period ending 31 March 2020 (subject to audit)
- Chair of the Committee to sign the statements (electronically)

9. TREASURY MANAGEMENT

The Investment Manager submitted a report in relation to the actual results of the Council's treasury management during 2019/20, compared with the strategy established for that financial year. It was noted that the Council's borrowing activity was within the limits originally set, and £546,000 of interest had been received on investments, which was higher than the £406,000 within the budget. It was confirmed that none of the banks the Council had used for investments had failed to pay.

Attention was drawn to the detail of the borrowing activities, highlighting the fact that long term loans had remained consistent but that the greatest difference was to be seen in the short term loans that had been taken out. It was noted that it would be usual to ask for cash flow towards the end of the year, but with the implications of the Covid-19 pandemic creating uncertainty in terms of how to safely pay out grants to business, the decision was made to take out short term loans in order to pay the grants. It was reported that £15m had already been repaid, with a further £4m yet to be paid.

It was reported that in terms of investments, this had been a quiet period, with the investment options giving fairly low returns. It was noted that the value of the £10m invested in the property fund in February 2019 had reduced significantly by the end of March 2020, and that this was due to the damaging impact of Covid-19. It was added that the value was low, but that there had been a recovery of around 20% in market values since then. The intention was to continue with the investments for the medium / long term, and to have regular discussions with Arling Close to keep an eye on the portfolio. It was highlighted that the rate for returning empty property into use was 4% and turned over a revenue income of approximately £400k per year; and it was therefore an excellent tool to have in a portfolio.

RESOLVED to accept the information.

10. GWYNEDD COUNCIL'S 2020 EXTERNAL AUDIT PLAN

The report was submitted by Alan Hughes (Wales Audit Office) and Ian Howse (Deloitte) It was noted that the accounts would be available to the public until September, with the external auditors submitting their final audit of the accounts after that time.

Attention was drawn to the significant risks which had been identified for investigation by the Council, including the overriding of regulations by managers (which is a common risk to all Authorities), the impact of the national Covid-19 crisis, the completeness of expenditure accrued, GwE income and grant expenditure, looking into the provision made in relation to the McCloud (Pensions) case judgement and initial work to review readiness to submit leases.

In the context of Auditing Performance for the forthcoming year, it was noted that Covid-19 had affected some of the plan's contents. A decision was made to cancel the audit of the Wellbeing Act, and to focus on following the Council's recovery procedure. It was highlighted that the rest of the plan remained the same, and that the Auditors continued to collect assurance and assess risk, undertake work on financial sustainability, and complete the regional review of residential and nursing care commissioning (with scoping work and discussions to commence in September). Attention was drawn to the intention to undertake local work on 'our way of working', but it was noted that it would be necessary to have discussions with officers to determine whether the subject remained appropriate.

RESOLVED to accept the Wales Audit Office report

11. ASSESSMENT OF GWYNEDD COUNCIL'S FINANCIAL SUSTAINABILITY

The report was submitted by Alan Hughes (Wales Audit Office). It was noted that although the report had been written prior to the arrival of Covid-19, the key findings, concepts and principles remained appropriate. Reference was made to the summary of the audit's findings, highlighting the fact that the main finding was that the Council's financial situation remained strong at present, with financial strategy supporting financial resilience. Despite this, a risk was highlighted around the significant overspending of some services, and the

fact that not all savings were being realised. The findings were presented one by one, with attention drawn to the risks.

In response, the Head of Finance expressed gratitude for the report, noting that it was a fair reflection of the situation, but that the report had dated somewhat by now. An verbal update of the current situation was provided:

- Gwynedd had been the first authority to report on the Impact of Covid-19 on the 2020/21 Budget, and this had been presented to Cabinet on 19/05/20.
- Since then, several authorities had received reports from their treasurers, and the common factor in all the reports was the uncertainty -
 - a) regarding the continuation of crisis restrictions, and
 - b) regarding the amount of support to be expected from Welsh Government.
- Gwynedd Council's likely situation had not seen any fundamental changes since reporting in May.
- During the first quarter, the additional expenditure was approximately £2m, which was slightly higher than projected, but a large portion of this had been compensated.
- The additional cost reported did not include Council Tax Reduction payments. It was expected that Welsh Government would also compensate for this, with discussions to be held on 30/07/20
- The Council's loss of income had been slightly lower than anticipated, and there was hope that this amount would also be compensated during Q.1.
- In May, an income loss of £5m in Q.1., and a further £5m in Q.2., had been discussed. The true loss of income in Q.1. was £4.9m, and it was likely that Welsh Government would compensate authorities for a considerable amount of this (application submitted 27/07/20).
- The Welsh Local Government Association (WLGA) were to present a case for Welsh Government to set aside a fund for Q.2., but there was no certainty regarding this.
- The Council's assessment of loss of income did not include the situation in terms of Council Tax collection. This was a concern and impossible to measure at present.
- However, there was reason to expect that Q.2. income would be at a considerably nearer level to the budget as businesses reopened, visitors paid for parking, etc.
- The reserves would take a knock, but there was enough available to cope with the situation for the current year.
- There would be a need to plan forward for 2021/22, as there was no guarantee that the Local Government grant would keep up with inflation - prior to the crisis, the 2020/21 settlement was one of the best in a decade and more, which suggested that the years of strict cuts had been eased.
- It would be necessary to take stock of the situation, and to make efforts to consider a wide range of possibilities for the following year. The information was to be formally presented to the Cabinet in October.

The members expressed their gratitude for the report, and for the Head of Finance's input.

In response to a question regarding the total financial deficit of £37.8m, and how confident we were of these figures, it was noted that the 2019/20 and 2020/21 balances had been dealt with, but that it would be very difficult to put a figure on the other years; the situation was therefore presented with a health warning, due to the uncertainty.

In response to a question as to whether the Council's success would be punished due to the healthy levels of its reserves, it was noted that reserve levels was not a factor which influenced the grant payments from Welsh Government. The claim would be determined based on need and the difference between the income of the current year and the previous year, along with valid true additional costs e.g., cost of additional staff and PPE.

The Cabinet Member noted that there was great uncertainty regarding the total funding we were likely to receive from Welsh Government, who are themselves dependent on decisions made by the Westminster Government. The Cabinet Member was of the opinion that the situation would be acceptable for the current year, but that there was real concern for 2021/22.

In response to a question regarding obtaining a composite report from all the councils in order to have a ratio, it was noted that it was intended to collate all the messages in one national report, but that the conclusion had been reached to redistribute the resources and focus on the situation faced by councils as a result of Covid-19. It was added that there was a need to consider the impact of the risk of 'no income' in future.

RESOLVED to accept the Wales Audit Office report and observations

12. PRODUCT OF INTERNAL AUDIT FOR THE PERIOD 01/02/20 - 31/03/2020

The report of the Audit Manager was submitted for information, which provided the Committee with an update on the internal audit work for the period between 3 February and 31 March 2020. It was noted that 10 of the plan's audits had been completed.

It was explained that new arrangements had been established for follow-up audits. In 2018/19, agreement had been reached on 88 action steps to be completed by 31 March 2020. Following a request for information and evidence from the relevant Units/Services on action progress, it was shown that on 31 March 2020, there was acceptable implementation on 100% of the agreed actions to mitigate high/very high risks, i.e. 11 from 11, and 72.73% of the agreed actions to mitigate medium/low risks, i.e. 56 from 77.

It was added that acceptable action had been taken on 76.13% of agreed steps, i.e. 67 from 88 agreed actions with progress made on 12.5%, i.e. 11 agreed actions. However, no response had been received in relation to 11.36% of the actions, despite a request for information having been submitted.

Reference was made to the audit of the GwE travel cost claims process, which had received a 'limited' assurance level. The purpose of the audit was to ensure that an efficient and effective process was in place to claim travel costs via the self-service system, which reduced the administrative load and kept the risk of loss by mistake or fraud at acceptable levels.

A Member highlighted concern, as the procedure for submitting applications via self-service had reduced the administrative work considerably, that managers were forgetting to check their staff's claims for travel costs. It was confirmed that GwE management had committed to remind managers to check claims in order to mitigate the risk highlighted.

Furthermore, it was considered uncertain whether there had been consideration of value for money in changing the official work locations of some GwE staff. It was emphasised that there was no flaw in the self-service arrangement in general, that managers had a responsibility to check applications for travel costs, and that it was not an administrative role. Regarding GwE specifically, following Gwynedd Cabinet's decision to change the procedure for claiming travel costs, GwE decided to change the work locations of some staff. It was added that Internal Audit was not convinced that remote work locations for staff provided assurance of value for money.

It was reported that discussions had been held between GwE and Corporate Support at the time of changing the work locations, and that GwE had justified the changes before they were approved.

In response to the above, it was suggested that GwE should review the changes to work locations again.

In response to a question as to whether it was commonplace to overturn / change the Cabinet's decision, the Head of Finance noted that the Cabinet had established a travel claims procedure based on work locations, and that GwE had separately re-designated the working location of some staff. It was noted that the Cabinet's decision had not been overturned and that this was not customary practice.

Reference was made to an audit of overtime payments made by the Highways and Municipal Department, which was awarded limited assurance. The purpose of the audit was to ensure that suitable arrangements were in place to ensure that overtime payments were paid at the correct rate and were appropriate.

Despite the excellent work undertaken by the Highways and Municipal Department during the period of the Covid-19 pandemic, concern was raised regarding the fact that an additional £193k had been earmarked for its budget for 2020/21, when the department had an existing overspend of £500k. It was enquired whether there were plans to discuss the service's overspend, and why there was no way of releasing the £193k to them at this point.

In response, it was highlighted that the Department was currently in a transitional year due to changes made to the collection services; with regard to the sum of £193k, it was highlighted that this was a sum included in an application by Gwynedd Council for Government funding due to the crisis. It was noted that it was necessary to weigh up the lost income, and to hold discussions with all services in September to assess the sum, depending on what is approved.

In response to the explanation, the observation to the effect that the Department was in a transitional period and that changes were underway was accepted, but reference was made to several references in the report to staffing arrangements in terms of sickness and absence. An enquiry was made as to whether these matters were given consideration during a transitional period and in plans for rearrangement. With motivation to rush and historical problems with sickness and absences within the service, it was asked whether the arrangements were adequate; if these matters were not given attention, the problems would continue. The observation to the effect that the Department was in a transitional period was accepted; the service was overspending on a yearly basis and therefore needed to be called before the Controls Improvement Working Group.

In response to the concern, it was noted that the Head of Highways and Municipal was addressing these matters due to financial implications. Although sickness and absences were factors in this service, it was suggested that there was a need to examine the overtime policy and the ability to plan work within normal hours in general.

In response, it was proposed that it was necessary to investigate the inconsistencies in the use of the policy across the Council, looking at how overtime was implemented and ensuring that the Council was not open to a case by the Unions.

Bridges Work Programme Scheme - limited assurance level. The purpose of the audit was to ensure that suitable arrangements were in place to conduct inspections of bridges under the care of Gwynedd Council, and that suitable arrangements were in place to prioritise any necessary work to be carried out on them and appoint contractors. Following a suggestion to call the scheme before the controls improvement working group, the Audit Manager noted that this work programme should be excepted as the audit risk score did not reflect the work arrangement processes in place; rather, what was reflected was the risks arising from budgetary limitations for dealing with incidents.

In response to a question regarding bridge maintenance in Gwynedd and how this was funded, the Head of Finance noted that it was possible for capital schemes to be funded by Welsh Government money. It was added that a long list of applications had been submitted for schemes which were 'ready to go', with some bridges included on the schedule of works. However, there was no certainty that the funds would be available.

The members expressed their thanks for the comprehensive report. It was suggested that the services who had not responded to the actions should be invited to the Committee in order to discuss the matters raised. In response to the suggestion, it was considered that this would be a long list of actions, along with the limited assurance level schemes. The Audit Manager suggested that services could be given a second chance to respond with evidence of the actions, and for the committee to receive an update at the next meeting. Should no response have been received by that time, then the next step would be to call them before the Controls Improvement Working Group

RESOLVED: To accept the report and support the agreed actions which have already been submitted to the managers of the relevant services. GwE (regarding travel costs) and Highways and Municipal (regarding overtime) to be called in to the Controls Improvement Working Group

13. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2019 - 2020

The report of the Audit Manager was submitted, expressing Internal Audit's view of the general management environment within the Authority during 2019/20. It was reported that, based on the work completed by Internal Audit, Gwynedd Council had a robust framework of internal management.

It was reported that 49 pieces of work had been included in the final revised audit plan for 2019/20. It was noted that 45 of those assignments had been completed by 31 March 2020, which represented 91.84% of the plan. Of the relevant reports which were given an assurance level, 77.77% received an 'adequate' or 'high' assurance level. Reports were submitted regularly to the Audit and Governance Committee, and in the context of follow-up work, from the 88 agreed actions set in 2018/19, there had been acceptable implementations on 76.14% by 31 March 2020. It was added that progress had been made on 12%, and that no response had been received for 11.36%. The service would revisit these during the current financial year.

It was noted that there had been a decrease in the number of productive days available for Gwynedd Council audits, from 913 days between 1 April 2018 and 31 March 2019, to 681 days for the same period in 2019/20. It was explained that this was due to a maternity absence, assisting Snowdonia National Park Authority in its end of financial year arrangements, and providing an audit service for Byw'n Iach Cyf. It was reported that since April 2020, there had been 7 full-time members of the Internal Audit Team and one Temporary Auditor to cover for a maternity leave and the absence of Senior Auditors to attend College in order to obtain professional qualifications.

In response to a member's question regarding the use of an apprenticeship scheme as a way of ensuring the continuation of the service and its high standard, the Audit Manager noted that she encouraged individuals to gain professional qualifications and take advantage of opportunities within the field.

In response to a question regarding Gwynedd Council's agreement to provide financial support to the Byw'n lach company despite there being no overview of the situation, the Head of Finance reported that it was a condition that Gwynedd was to compensate Byw'n lach.

Appreciation of the Audit Manager's work was expressed.

RESOLVED to accept the annual report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2019/20 financial year

14. DRAFT INTERNAL AUDIT PLAN 2020 - 2021

Submitted – the amended draft plan of Internal Audit work for the 2020/21 financial year for comment and approval by the Committee. It was highlighted that, in accordance with best practice and the Public Sector Internal Audit Standards, the Internal Audit plan was subject to continuous review in order to ensure that it remained up to date and reflected changes in the business.

It was explained that the plan had been updated in light of the Covid-19 pandemic and the fact that Internal Audit had been unable to conduct work as usual in the first quarter of the year. It was reported that Internal Audit officers had been redeployed to assist and support the Council by checking and processing Welsh Government Grants for Businesses, administered by the Revenue Service. It was added that the projected expenditure of these grants was £63m, making Gwynedd the second highest council in Wales in terms of expenditure and transactions - with provision for the work reflected in the amended plan.

Attention was drawn to one of the key priorities in the first quarter, as in the two previous financial years, namely to provide an Internal Audit service to approximately 70 community, town and city councils. In order to achieve this and to assist the councils in meeting their statutory timescale in terms of submitting their accounts by 30 June 2020, documentation was received via e-mail where possible, and meetings were conducted by using Zoom or Microsoft Teams, as well as by phone call. The Service received positive feedback from the Clerks/Responsible Financial Officers on the smooth transformation of conducting these audits.

It was reported that the amended Internal Audit plan for 2020/2021 would give appropriate consideration at all times to the possibility of fraud or corruption occurring. It was explained that the service would take advantage of the National Fraud Initiative (NFI) and undertake proactive fraud prevention work with Audit Wales; the decision had also been made to extend the Initiative to target the fraud risks associated with Covid-19 grants or payments made by local authorities. It was added that the Audit officers who had been involved with the work of processing grant payments would not be undertaking this work, in order to ensure independence and appropriate separation of duties. The Service would also continue to give attention to specific grants, especially where the conditions of the grant asked for a review by Internal Audit.

Attention was drawn to the key changes in the amended plan, and it was noted that the plan would provide flexibility, allowing the Service to support the Council with any matters which became apparent, and to act promptly on any risks arising from those matters.

The Head of Finance thanked the staff for their willingness to transfer in order to assist with the high level of grant payments.

RESOLVED to approve the Revised Audit Plan for the period 1 April 2020 to 31 March 2021.

The meeting commenced at 10.00 and concluded at 13:20

CHAIR