

**BOROUGH OF KETTERING**

**MONITORING AND AUDIT COMMITTEE**

**Meeting held: 14<sup>th</sup> July 2020**

**Meeting held virtually**

**Present:** Councillor Jonathan West (Chair)

Councillors Ash Davies, Anne Lee, Margaret Talbot, Mike Tebbutt and Greg Titcombe

**Also Present:** Martin Hammond (Executive Director)  
Mark Dickenson (Head of Resources)  
Jo Haines (Group Accountant)  
Dean Mitchell (Group Accountant)  
Hazel Webb (Community Services Manager)  
Neil Harris (EY external audit)  
Mark Watkins (CWAS internal audit)  
Daniel Hayward (KPMG external audit)  
Anne Ireson (Committee Administrator)

**20.MA.01 APOLOGIES**

Apologies were received from Councillor Jenny Henson.

**20.MA.02 MINUTES**

**RESOLVED** that the minutes of the meeting of the Monitoring and Audit Committee held on 4<sup>th</sup> February 2020 were approved as a correct record and signed by the Chair.

Update on Minute 19.MA.47: It was noted that negotiations were continuing with Home Housing Association regarding the purchase and re-opening of Wellington House, although current advice was that hostels could not re-open due to Covid-19, and therefore the negotiations were centred around what works would be necessary to make them safe in the longer term for re-occupation.

**20.MA.03 DECLARATIONS OF INTEREST**

Councillor Anne Lee declared a personal interest in Item 8G on the agenda as a trustee of Groundwork.

Councillor Mike Tebbutt declared a personal interest in Item 8G as a member of Kettering Huxloe Rotary Club and supporter of Marlow House in Desborough.

#### **20.MA.04 ANNUAL GOVERNANCE REPORT (8A)**

A report was submitted which presented the Annual Governance Statement 2019/2020 for endorsement.

During debate, members of the Committee noted that the process required the Annual Governance Statement to be submitted for sign-off to the Section 151 Officer and then reported to the Monitoring and Audit Committee.

Discussion was held on stakeholder engagement in relation to virtual meetings. It was noted that members had adopted a protocol and procedure for virtual meetings, which included a deadline for requests to speak by members of the public. Stakeholders were encouraged to engage with the Council in decision-making and this had been captured in the report. The Council did not have the facilities to accommodate open meetings at the present time, although the situation would continue to be reviewed going forward into 2020/21.

In relation to a question on planned agenda items, members noted that the Covid-19 pandemic and the practicalities of changed priorities for the Council had inevitably had an impact on the Committee's Work Programme, with a focus being maintained on bringing forward statutory items.

**RESOLVED** that:-

- (i) the Monitoring and Audit Committee's role in the Annual Governance Statement process be noted; and
- (ii) the draft Annual Governance Statement for 2019/20 be endorsed.

#### **20.MA.05 INTERNAL AUDIT ANNUAL REPORT 2019/20 (8B)**

A report was submitted which presented the Annual Internal Audit Report from the Council's Internal Auditors (CWAS) in compliance with the requirements of the Accounts and Audit (England) Regulations 2015 which required the Head of Internal Audit to provide an opinion on the work undertaken by Internal Audit.

Mark Watkins attended the meeting to present the report, advising members that the report had been presented slightly later than usual because of the Covid-19 pandemic.

The overall opinion was that significant assurance could be given. Of the 21 audits undertaken during the year where an assurance opinion was provided, only three moderate assurance opinions were provided, with no instances of either limited or no assurance, which demonstrated that the control environment for main systems at Kettering Borough Council was strong and continued to be strong.

Nothing had been found as a significant control issue during the year, but comment had been made on the impact of Covid-19. It was prudent to include this information as it would have an impact in future years. It was acknowledged that managers had faced a significantly challenging time in meeting different needs arising from the pandemic, and Internal Audit would continue to work with managers during the final year of the Council on any outstanding recommendations.

It was noted that Counter Fraud and Corruption and Disaster Recovery would continue to be given a high priority, as in previous years.

Mark Watson and his staff were thanked for their work in connection with the Audit.

**RESOLVED** that the Internal Audit Annual Report for 2019/20 be received.

#### **20.MA.06 INTERNAL AUDIT PLAN APRIL 2020 TO MARCH 2021 (8C)**

A report was submitted which presented a draft Internal Audit Plan of work for 2020/21 for consideration and approval.

It was noted that, as part of the Council's statutory obligation to undertake an adequate and effective internal audit of its accounting records and of its system of internal control, it was necessary to consider the level and extent of internal audit coverage for the Council's activities. The report had been submitted slightly later than usual due to the Covid-19 pandemic, and a third strand had been added into the key work strands regarding the additional responsibilities the Council had received from central government in response to the pandemic.

Some officer time had been diverted into work associated with discretionary business grants and local government reform and more qualified accountant support had been allocated to increase the skill mix of the team. Additionally, resources had been identified later in the year around the housing revenue account work.

It was confirmed that internal audit would also be looking at delivery of services in connection with the leisure services contract

Members were advised to contact Mark Watson if they had any specific concerns in relation the Internal Audit Plan for 202/21.

**RESOLVED** that the Audit Plan for April 2020 to March 2021 be approved.

#### **20.MA.07     EXTERNAL AUDIT REPORTS (8D)**

A report was submitted which presented the Certification and Grants letter that summarised the results of the external audit work carried out by KPMG on the certification of the Council's 2018/19 grants claims and returns.

Discussion was held on the method of checking grant claims and the effect on residents who had received an overpayment. It was noted that the net overpayment in 2018/19 had been £7 in an overall Housing Benefit Subsidy Claim of approximately £21.5m.

Dan Hayward and his team were thanked for their work and advice given.

**RESOLVED** that the Certification and Grants Report for 2018/19 be received and noted.

#### **20.MA.08     STATEMENT OF ACCOUNTS 2018/19 (8E)**

A report was submitted which provided an update on the Council's Statutory Statement of Accounts for the financial year 2018/19.

It was noted that the Council's Statement of Accounts for 2018/19 had been submitted to the Committee on 26<sup>th</sup> September 2019. However, EY had experienced staffing difficulties which had affected the audit timetable for the 2018/19 audit and resulted in a delay. Members were reminded of the resolution of the Committee at the September 2019 meeting.

Neil Harris attended the meeting and advised members that an unqualified value for money conclusion would be issued. However, some procedural points were required to be progressed with officers in order to close down the audit file.

Neil Harris thanked officers of Kettering Borough Council for their perseverance, co-operation and resilience throughout the audit.

**RESOLVED** that the conclusion of the Statement of Accounts for the financial year 2018/19 be noted.

**20.MA.09**     **EXTERNAL AUDIT REPORTS - FINANCIAL STATEMENTS AUDIT PLAN (8F)**

A report was submitted which presented the 2019/20 Financial Statements Audit Plan, which detailed the work EY intended to carry out with regard to the Council's 2019/20 Statement of Accounts.

It was noted that the Plan was provisional at this stage. EY were now in a better position regarding staffing and were scheduling all external audits to the end of November. It would be important to allow officers time to transition to the new unitary authority, and EY would be working closely with officers to mitigate the impact of officer involvement in unitary workstreams.

Highlights of the audit report were summarised and provisions and mitigations in relation to the Covid-19 pandemic were outlined.

In discussion, members noted that teams had been structured across Northamptonshire to build-in officers who had previous experience of local government reform. It would be important to adopt a consistent approach across the county in relation to the transition to unitary authorities.

It was noted that EY expertise in working with private companies would also be used to inform questions to be asked. Aggregation of sovereign council budgets was high on the agenda. Kettering's financial position was strong, with a stable finance team which had good expertise and knowledge, and this had been taken into account when considering the audit report.

**RESOLVED** that the 2019/20 Provisional Financial Statements Audit Plan be received and noted.

**20.MA.10**     **KEY UPDATES – MONITORING OF VOLUNTARY SECTOR GRANT AGREEMENTS 2019/20 THIRD YEAR END UPDATE (8G)**

A report was submitted which updated Members on the performance of voluntary sector organisations in relation to their Voluntary Sector Grant Agreements (VSGAs) for 2019/21 and set out the reporting timetable for the 2020/21 VSGAs.

The Community Services Manager attended the meeting to present the end of year monitoring for voluntary sector grants. It was noted that organisations had suffered some impact from the Covid-19 pandemic and details would be reported next year. All the organisations supported

had taken on Covid-related issues and had come up with innovative ideas to progress their services.

It was noted that officers met with all providers on a quarterly basis, along with their lead officer.

Members expressed their congratulations to organisations, commending their huge return across society, and commenting upon the important roles for the voluntary sector as society moved out of the Covid-19 lockdown.

In response to a question regarding a lack of office space for casework, it was noted that officers would look into this and get back to the organisation concerned. It was also noted that Northamptonshire Racial Equality Council would be invited to participate in any commemoration event regarding William Knibb.

The Community Services team and voluntary sector organisations were thanked for their work.

**20.MA.11 WORK PROGRAMME (8H)**

The Work Programme for the Monitoring and Audit Committee was submitted for consideration. It was requested that a meeting be held in September in addition to the meeting planned for November.

**RESOLVED** that the following items be included in the work programme:-

- Climate Change – Update (September)
- Air Quality – Update (September)
- Town Centre Regeneration – progress (November)
- Leisure Services Contracts, including update on Kettering Swimming Pool (September or November)
- Statement of Accounts including Auditor's Report (November)

(The meeting started at 4.00pm and ended at 5.51pm)

Signed .....  
Chair

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