

Meeting of the Full Council - 27 May 2021

Report of the Audit, Risk and Governance Committee

Meeting held on 26 April 2021

Chair: County Councillor Alan Schofield

Part I (Open to Press and Public)

Internal Audit Annual Report 2020/21

The committee considered the Internal Audit Annual Report, presented by Ruth Lowry, Head of Internal Audit. The report provided an overall opinion on the council's frameworks of governance, risk management and control for the year 2020/21.

Resolved: That the Internal Audit Annual Report 2020/21, as presented, be noted.

Internal Audit Annual Plan 2021/22

The committee considered the Internal Audit Plan 2021/22, presented by Ruth Lowry, Head of Internal Audit. The report outlined the plan for 2021/22 and the work proposed to support the internal audit process, including the evidence that would be collected over the year.

Resolved: That the Internal Audit Annual Plan 2021/22, as presented, be approved.

External Audit – The Annual Audit Letter for Lancashire County Council and Lancashire County Pension Fund 2019/20

The committee considered the external auditor's Annual Audit Letter for Lancashire County Council and Lancashire County Pension Fund, presented by Paul Dossett, Partner at Grant Thornton UK. The report summarised the outcome of the work of the external auditors in 2019/20.

Resolved: That the Annual Audit Letter for 2019/20, as presented, be noted.

External Audit – Audit Progress Report and Sector Update 2020/21

The committee considered a report presented by Paul Dossett, Partner at Grant Thornton UK, which provided an update on the proposed timescales for the external audit for 2020/21 and provided additional information on sector developments.

Resolved: That the Audit Progress Report and Sector Update at April 2021, as presented, be noted.

External Audit – Lancashire County Council Audit Plan 2020/21

The committee considered the Lancashire County Council Audit Plan for the year ending 31 March 2021, presented by Stuart Basnett, Audit Manager at Grant Thornton UK. The report detailed the planned scope and timing of the council's statutory audit.

Resolved: That the Lancashire County Council Audit Plan for 2020/21, as presented, be noted.

External Audit – Lancashire County Pension Fund Audit Plan 2020/21

The committee considered the Lancashire County Pension Fund Audit Plan for the year ending 31 March 2021, presented by Andy Ayre, Audit Manager at Grant Thornton UK.

Resolved: That the Lancashire County Pension Fund Audit Plan for 2020/21, as presented, be noted.

The Council's Annual Governance Statement 2020/21 and Code of Corporate Governance 2021/22

The committee considered the county council's draft Annual Governance Statement for 2020/21 and the updated Code of Corporate Governance for 2021/22, presented by Paul Bond, Head of Legal and Democratic Services.

The Code of Corporate Governance for 2021/22 was recommended to Full Council and can be found in Part A of the agenda.

Resolved: That

- i) The draft Annual Governance Statement for 2020/21, as presented, be approved for inclusion in the draft Statement of Accounts for 2020/21;
- ii) The inclusion of the Pension Fund Governance Statement, as approved by the Pension Fund Committee, in the Annual Governance Statement for 2020/21 and its publication in the draft Statement of Accounts for 2020/21 be noted;
- iii) The signing of the Annual Governance Statement by the Chief Executive and Director of Resources (Section 151 Officer) and the Leader of the Council, and its publication on the county council's website following final approval of the Statement of Accounts, be noted; and
- iv) The updated Code of Corporate Governance for 2021/22, as presented, be recommended to Full Council for approval.

Response to the Information Request from the External Auditor

The committee considered a report presented by Khadija Saeed, Head of Corporate Finance, which detailed the proposed management response to the external auditor's annual information request. The response provides the external auditors with information to support their work.

Resolved: That the management response to the information request from the external auditor, as presented, be approved.

Matters arising under Urgent Business since the last meeting

The committee considered a report presented by Josh Mynott, Democratic and Member Services Manager, which outlined the decisions approved by the Director of Corporate Services as matters of Urgent Business since the last meeting of the Audit, Risk and Governance Committee, following the webcast failure at the committee's meeting on 25 January 2021.

Resolved: That the decisions approved by the Director of Corporate Services as matters of Urgent Business since the last meeting, in agreement with the Chair and Deputy Chair of the Audit, Risk and Governance Committee, be noted.

Part II (Not Open to Press and Public)

Counter Fraud, Special Investigations and Whistleblowing Annual Report

(Not for Publication - Exempt information as defined in Paragraphs 2, 3 and 7 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

The committee considered a private and confidential report presented by Ruth Lowry, Head of Internal Audit, which outlined the work completed during 2020/21 to prevent, detect and investigate fraud and corruption within the county council.

Resolved: That the Counter Fraud, Special Investigations and Whistleblowing Annual Report, as presented, be noted.