

AUDIT COMMITTEE

Minutes of the meeting held on 14 July 2022 commencing at 7.00 pm

Present: Cllr. McGarvey (Chairman)

Cllrs. London, Osborne-Jackson and Pender

Mo Chughtai was also present.

Apologies for absence were received from Cllrs. Barnes, Brown, Kitchener, Williamson and Morris

An apology for absence was also received from Lynda McMullan.

Cllr. Dickins was also present via a virtual media platform which did not constitute attendance as recognised by the local government act 1972.

CHAIRMAN'S ANNOUNCEMENT

Following the appointment of two co-opted non-voting Members, Mo Chughtai was welcomed to the meeting and the Chairman introduced Members and Officers in attendance.

1. Minutes

Resolved: That the minutes of the meeting held on 29 March 2022 be agreed and signed by the Chairman as a correct record.

2. Declarations of Interest

There were none.

3. Actions from Previous Meeting (if any)

There were none.

4. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations (if any)

There were none.

5. Members Development Briefing - External Audit

The Chief Officer, Finance and Trading presented the report and the Committee welcomed Paul Cuttle from Grant Thornton who gave a presentation to Members.

Members took the opportunity to ask questions of clarification.

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Resolved: That the training be noted.

6. External Audit - Auditors Annual Report

The Chief Officer, Finance and Trading introduced the report and Paul Cuttle, from the Council's External Auditors, Grant Thornton presented the report which detailed the Auditors Annual Report 2020/2021. The report focused on the council's value for money arrangements which raised no indications of potential significant weaknesses in any of the following three areas:

- Financial sustainability;
- Governance;
- Improving economy, efficiency and effectiveness.

Grant Thornton were unable to present the Audit findings report 2020/21 as indicated at appendix B of the report owing to an ongoing heavy workload. This would be brought to a future meeting of the Committee.

Members asked questions of clarification.

Resolved: That the external audit report from Grant Thornton be noted.

7. Statement of Accounts - Establishment of Member Working Group

The Head of Finance presented the report which outlined the plans for the Committee to set up a Member working group to review the 2021/22 draft Statement of Accounts.

Resolved: That

- a) a Member Working group, to review the 2021/22 draft Statement of Accounts with delegated authority to recommend changes to the draft whilst ensuring adherence to statutory regulations for the purposes of reporting back to the Audit Committee, be set up.
- b) membership of the working group be: Lynda McMullan, Cllrs. McGarvey, Osborne-Jackson and Pender with a date and time to be fixed and circulated by the Chairman following the meeting.

8. Counter Fraud and Compliance Report 2021/22

The Counter Fraud Manager presented the report which set out the work conducted by the Counter Fraud & Compliance team for the year ending 31 March 2022. The Team undertook the lead for payment assurance and claim-checking in regards to the Government's Covid-19 Business Support Grants. The Team ran successful counter-fraud exercises which resulted in an increase to business rates revenue and Council Tax revenue.

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Plans for 2022/23 included increasing the amount of joint working investigations conducted with the Department for Work & Pensions and expanding the use of the new data-matching tool for Council Tax Single Person Discounts. The Counter Fraud & Compliance Team would be heavily involved in the project to distribute the new £150 Council Tax Rebate payment and retrospective re-conciliation/evidence validation exercise for the Business Support grants.

In response to questions it was confirmed that the Council Tax rebate required the Counter Fraud and Compliance Team to verify applications for residents that did not pay Council Tax through direct debit. Members were advised that the team had contacted applicants and distributed literature to residents which categorically stated that the Council would never ask for someone's bank details over the telephone. The application system was online, but arrangements had been set-up for residents without access to the internet.

In response to further questions the Counter Fraud Manager confirmed that the team could use credit reference data to data match applications on a mass-scale which would help to alleviate demand on the team.

Members thanked the Counter Fraud Manager and the team for all their hard work.

Resolved: That the work of the Counter Fraud and Compliance Team carried out during the year end 31 March 2022 be noted.

9. Internal Audit Annual Report and Annual Opinion 2021/22

The Audit Manager presented the report which set out the Internal Audit Annual Opinion on the effectiveness of the Council's internal control, governance and risk management arrangements including a summary of the work taken into consideration when forming the Opinion, which should be used to inform Members' scrutiny of the Annual Governance Statement.

The overall conclusion was that there was 'reasonable' assurance over systems of risk management, governance and control. This meant that whilst controls were generally working well, there were some areas of weakness which, if not addressed, could impact on the Council's achievement of objectives. Key themes were set out in the report.

There were 3 limited assurance rated audits reported during the year. The findings as a result of these audits had been addressed and the Audit Manager advised Members that they would not have an impact on the overall risk and control frameworks.

Members discussed the report and the internal audit process.

Members focused on the Corporate Credit Cards audit and expressed concern over the 14% of company credit card transactions that were viewed which did not produce invoices. Members discussed the financial risk over company credit cards. Members also discussed record keeping of section 106 funding.

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Action 1: For the Chief Officer, Finance and Trading to circulate the audit report on company credit cards to the Committee.

Action 2: For the Audit Manager to update the Committee on the progress of the transfer of records for the section 106 funding.

Resolved: That the report be noted.

10. Annual Governance Statement 2021/22

The Chief Officer Finance & Trading presented the report. The Annual Governance Statement (AGS) was an important corporate document which explained the Council's governance arrangements and the controls it employed to manage the risk or failure to achieve strategic objectives.

The Council was responsible for ensuring that its business was conducted in accordance with the law, proper standards and that public money was safeguarded and properly accounted for during 2021/22. The document was owned by all Senior Officers and Members of the Council. The Chief Executive, Chief Officers and Managers were involved in the process and completed a detailed questionnaire to raise any issues that could be included in the AGS.

There was one significant governance issue raised in 2020/21 that required action in 2021/2022, unsurprisingly that related to the impact of the Covid-19 pandemic. No issues had been raised for 2021/22 therefore, the AGS confirmed that the Council had sound systems of internal control and good governance arrangements in place in 2021/22.

Resolved: that the Annual Governance Statement 2021/22 be agreed for signature by the Leader of the Council.

11. Audit Committee Terms of Reference

The Chief Officer Finance & Trading presented the report on the Terms of Reference for the Audit Committee agreed at the Annual Council meeting on 10 May 2022.

Resolved: That

- a) the Audit Committee Terms of Reference be noted; and
- b) the Committee provided a view that adequate consideration had been given to all core areas and the Committee was fulfilling its terms of reference.

12. Review of the Effectiveness of the Audit Committee 2021/22

The Chief Officer, Finance and Trading presented the report that highlighted the achievements of the Audit Committee in 2021/22.

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The process incorporated the recommended self-assessment checklist from the Chartered Institute of Public Finance and Accountancy (CIPFA.) The checklist had been completed drawing from the work of the Committee in relation to its terms of reference, using the evidence available from the work of the Committee during 2021/22.

Resolved: That the Self-Assessment Review of the Effectiveness of the Audit Committee as set out in Appendix A of the report for 2021/22, be approved.

13. Audit Committee Report to Council

The Chairman presented the report for Council that updated Members on the progress of the Audit Committee. Members were advised that, although the report was draft, the Chairman could verbally amend the report at Full Council if deemed necessary.

14. Work Plan

The work plan was noted with the following additions:

22 September 2022

- Grant Thornton External Audit Findings report 2020/21

24 January 2023

- Statement of Accounts 2021/22

THE MEETING WAS CONCLUDED AT 8.41 PM

CHAIRMAN