

AUDIT COMMITTEE

Minutes of the meeting held on 5 October 2023 commencing at 7.00 pm

Present: Cllr. Penny Cole (Chairman)

Cllr. Edwards-Winser (Vice-Chairman)

Cllrs. Baker, Clayton, Haslam, Lindop, Malone, and Robinson

Lynda McMullan was also present.

Cllr. Williamson and Mo Chughtai were present via a virtual media platform, which did not constitute attendance as recognised by the Local Government Act 1972.

17. Minutes

Resolved: That the Minutes of the Audit Committee held on 4 July 2023, be approved and signed by the Chairman as a correct record.

18. Declarations of Interest

There were none.

19. Actions from Previous Meeting

There were none.

20. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations

There were none.

21. Audit Committee Member Development - Risk Management

The Audit Manager gave a presentation to the Committee on risk management which explained what risk management was and how it was carried out. Risk Management included identifying, assessing, managing, and controlling risks and providing assurance that objectives could be met.

Resolved: That

- a) the Member development presentation be noted; and

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- b) the next meetings member development topic be confirmed as Understanding Local Government Accounts.

CHANGE IN ORDER OF AGENDA ITEMS

The Chairman, with the Committee's agreement, brought forward consideration of item 8 – Strategic Risk Register (minute 22).

22. Strategic Risk Register

The Audit Manager introduced the report that provided the most recent version of the Strategic Risk Register. There had been no increases in risk scores since the last quarter. Six risks were above the target score and actions were in place to reduce the current score accordingly. These were: SR01 Finance, SR02 Asset Management & Maintenance, SR05 Information & Data management, SR08 Health & Safety (incl. Staff Wellbeing), SR12 Capital Projects and SR13 Net Zero.

Members took the opportunity to ask questions which focused on the various risks. It was explained that each risk was assigned a risk owner who assessed and scored them. Each Council department also gave themselves a score based on these factors.

In response to a question concerning external risk factors the Chief Officer – Finance and Trading advised that the Council could make its own decisions as to how it combatted external risk factors. He explained that the 10-year budget-setting process was a proven method for maintaining financial resilience. Officers also welcomed the opportunity to discuss specific areas of concern with Members.

In addition, the corporate landlord liabilities and asset register actions were still ongoing but the Audit Manager informed Members she was in constant contact with the responsible Officer and was not concerned about undue exposure.

In response to further queries, the Audit Manager would consult relevant Officers and provide further information to Members on Reinforced Autoclaved Aerated Concrete (RAAC) risk assessments that were being updated following Government guidance. In relation to risk SR03, she would also provide further details regarding training in procedures.

Action 1: For the Audit Manager to update Members on RAAC risk assessments and training in procedures.

Resolved: That the contents of the strategic risk register be noted.

23. External Audit - Annual Audit Plan 2021/22

The Chairman welcomed Paul Cuttle from Grant Thornton, the Council's External Auditors who presented the Annual Audit Plan 2021/22 as set out in the appendix. He advised Members there were no significant changes to the previous year's audit plan. He also explained that there was a national audit backlog for local government

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accounts due to delays in audit sign-offs and the various stakeholders required in the process. Grant Thornton were awaiting guidance from the Department for Leveling up Housing and Communities on proposals to clear the audit backlog. It was hoped this would inform the audit plan going forward.

In response to questions on the overspend from the previous year, Members were advised that overruns were partly due to technical accounting issues resulting from homes built in Burlington Mews. This meant that financial statements had to be updated.

Resolved: That the report be noted.

24. Internal Audit Progress Report 2023/24

The Audit Manager presented the report which provided an update on the Internal Audit progress 2023/24. Since the last meeting the post of Lead Auditor had not been filled and was back out to advert. Two trainees had been appointed and the other trainee had completed a qualification and was now a certified internal auditor. Due to staff shortages, progress on work was incremental and meant that the team had focused on the completion of outstanding work for 2022/23. The Audit Manager explained that work on the 2023/24 audit plan had started and was in line with anticipated timings given the delays. Since the last update, she explained that the Team had completed a further four audits set out in the report.

Members asked questions of clarification of the Audit Manager with a particular focus on outstanding audit actions and the procurement audit. She explained that she was a member of the procurement assurance group which pursued a joined up approach to resolving the audit actions. Members expressed some concern over procurement training standards and the need for a procurement strategy. The Audit Manager further explained that the procurement strategy was being drafted and the Committee would receive an update once it had been completed.

In response to a request, Officers would provide figures on the Council's purchases of goods and services.

Action 2: Officers to provide an update to the Committee on figures for the Council's purchasing of goods and services.

Resolved: That the report be noted.

25. Counter Fraud Strategy & Whistleblowing Policy & Procedure

The Audit Manager presented the Counter Fraud and Corruption Strategy and Whistleblowing Policy and Procedure set out in the report and appendices. The Strategy set out the Council's approach towards fraud including the desired culture.

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The Whistleblowing Policy was a key part of the control framework to detect fraud. Both policies had been reviewed and reflected current practices.

Members discussed the report. It was confirmed that the whistleblowing process was overseen by the Audit Manager and this was part of her role. Counter fraud and corruption activity was reported to the Committee and the outcomes of any counter fraud investigations would also be reported to the Committee and set out in the annual report.

Resolved: That the Counter Fraud and Corruption Strategy and Whistleblowing Policy and Procedure be noted.

26. Work Plan

Members noted the work plan with the addition of the Risk Strategy Report to the next meeting.

THE MEETING WAS CONCLUDED AT 8.20 PM

CHAIRMAN