

AUDIT COMMITTEE

Thursday 22 November 2021 at 6.00 p.m.

Held in Conference room 2, Council House, Walsall

Present:

Mr A. Green
Councillor Elson
Councillor. Flint
Councillor. Robertson

Officers

Executive Director Resources and Transformation
Corporate Finance Manager
Finance Manager - Technical Accounting and Treasury Management
Senior Accountancy Officer
Representative of Mazars
Representatives of Grant Thornton (GT)

Welcome

At this point, the Chair opened the meeting by welcoming everyone, and explaining that as the emergency legislation which enabled Council meetings to meet virtually had expired, the Committee was meeting that evening in person with appropriate social distancing requirements. Members of the public viewing the meeting were directed to the papers which could be found on the Council's Committee Management Information system (CMIS) webpage. Members confirmed that they could both see and hear the proceedings.

25/21 Apologies

Apologies were submitted on behalf of Sureya Ajaz, and Councillor Johal.

26/21 Minutes of meeting held on 27 September 2021

The minutes of the meeting held on 27 September 2021 were considered.

Resolved (Unanimous)

That the minutes of the meeting held on 27 September 2021 were agreed as a true and accurate record.

27/21 Declarations of Interest

There were no declarations of interest.

28/21 Deputations and Petitions

There were no deputations submitted or petitions received.

29/21 Local Government (Access to Information) Act, 1985 (as amended)

Resolved (by assent)

That the public be excluded from the meeting during consideration of the items set out in the private part of the agenda for the reasons set out therein and Section 100A of the Local Government Act, 1972.

30/21 Notification of any issues of importance for consideration at a future meeting

A Member raised the issue of Section 106 agreements, and requested that this came to a future meeting.

Resolved

That an item on Section 106 funding is received at a future meeting.

31/21 Committee Decision Tracking Chart

The Committee considered the committee decision-tracking chart.

Resolved:

That the committee decision tracking chart was noted.

32/21 Internal Audit Progress Report

The Internal Audit representative introduced the report and highlighted the salient points (annexed). This report provided an update to Audit Committee on Internal Audits progress against the 2021/22 audit plan. Member's attention was drawn to the list of final reports, and draft reports issued since the last meeting. The report included a status summary of the recommendations issued, and a progress of work against the audit plan.

A Member asked for assurance that the target for the KPI – Effective completion of audit work – would be met by the end of the year. The Head of Internal Audit stated that Internal Audit was on track to complete the work programme by 31 March 2022 and that the reason that performance was below target was due to the addition of items to the internal audit work plan.

The Chair congratulated the service on the progress made in implementing outstanding recommendations and questioned if timelines should be set for the implementation of priority one recommendations. The Head of Internal Audit stated that the service was comfortable with the way in which actions were implemented and where concerns were held this was raised with Audit Committee. Further discussion was held on how this could be improved moving forward.

Resolved

That the internal audit progress report be noted

33/21 Risk Management Update – Assurance Map

The Head of Internal Audit presented the report and highlighted the salient points (annexed). The report would update the Committee on the development of an Assurance Map for the Strategic Risk Register. The Head of Internal Audit described the process to develop an assurance map, which would be in diagram form and demonstrate the assurances that the Council relied on to manage key strategic risks.

In response to a question from a Member, the Head of Internal Audit confirmed that it was planned for the assurance map to be completed in time for the new financial year to form part of the assurance framework. Officers described procedures to assess the management of risks, and discussion on legends was held to determine how progress would be identified in the final framework.

Resolved

- **The risk management update be noted**
- **A progress update on the assurance map be taken to the Committee.**

34/21 External Audit Progress Report and Sector Update

The External Audit representative presented the report and highlighted the salient points (annexed). Members were advised that the report provided the Council's external auditor's progress report and the audit of 2020/21 financial statements and value for money arrangements, both of which were substantially complete..

It was confirmed that the financial statements would be signed by the end of the week and it was confirmed that an updated audit findings report would be circulated to Members. The value for money audit would not be reporting any concerns, with the report containing a more extensive auditor commentary.

A Member questioned if the Council used the CIPFA financial resilience index in its budget setting and long term financial plans, the Executive Director confirmed that this was used to assess where the Council was in terms of benchmarking for each of the criteria. As part of this a key area for improvement was the Council's long-term plan.

Resolved

The External Audit Progress report and sector update be noted.

35/21 Retender of External Audit Contract

The Executive Director presented the report and highlighted the salient points (annexed). The purpose of the report was to consult Audit Committee on the preferred approach to appointing the Council's External Auditor for the five years commencing 1 April 2023, prior to reporting to Council in January 2022. It was recommended that the Council joined the Public Sector Audit Appointments (PSAA) due to the benefits it would create.

Members discussed the options open to the Council, and were in agreement that 'opting in' to the agreement would be most beneficial for the Authority.

In response to questions from Members, the Executive Director stated that further feedback on any differences would be provided to the Committee. It was noted that there was a need to establish a systems leader role to ensure that the sector was more cohesive.

A Member questioned the independence of the PSAA, and requested a briefing note on the appointment of Directors to this organisation.

Resolved

To accept the Public Sector Audit Appointments' (PSAA) invitation to 'opt in' to the sector led option for the appointment of external auditors for five financial years commencing 1 April 2023.

36/21 Update on internal audit priority 1 recommendations

(Exempt information under Paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended).

Further information was provided on the internal audit priority one recommendations.

Resolved -

That the update on internal audit priority 1 recommendations be noted.

37/21 Fraud Update

The Committee were provided with an update on active fraud cases within the Authority.

Resolved

That the Fraud update be noted.

38/21 Minutes of meeting held on 27 September 2021

(Exempt information under Paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended).

The private set of minutes for the meeting held on 27 September 2021 were submitted.

(See annexed)

Resolved -

That the private minutes of meeting held on 27 September 2021 be agreed.

Termination of Meeting

The meeting terminated at 7.00pm

Chair.....

Date.....

