

MINUTES OF THE AUDIT COMMITTEE

26th June 2023 at 6.00pm

Held at the Council House, Walsall

Present:

Mr A. Green (Chairman)
Councillor Sohal (Vice-Chairman)
Councillor Bains
Councillor Larden
Councillor Mehmi
Councillor Nawaz

In attendance

Councillor Bird	Leader of the Council
D. Hindson	Interim Chief Executive
S. Darcy	Director – Corporate Finance, Performance & Corporate Landlord
V. Buckley	Head of Finance – Strategic Planning and Assurance
R. Walley	Technical Accounting Treasury Management and Educational Finance Manager
L. Haynes	Head of Finance – Technical & Transactional
R. Page	Technical Accounting Manager
S. Knowles	Head of Internal Audit (Mazars)
J. Roberts	Grant Thornton (External Auditors)
F. Hancock	Senior Democratic Services Officer

1 Welcome

The Chair welcomed Members to the Committee and asked them to introduce themselves. The Chair also welcomed Officers to the meeting both in person and online.

2 Apologies

An apology was submitted by Councillor Harrison.

3 Minutes

Resolved that the minutes of the meeting held on 11th April 2023, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

4 Declarations of Interest

Councillor Nawaz declared an interest in relation to an item contained within the private report at agenda item no. 14 and would leave the meeting during the consideration of that item.

5 Deputations and Petitions

There were no deputations submitted or petitions received.

6 Local Government (Access to Information) Act 1985 (as amended)

Resolved 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.

7 Notification of any issues of importance for consideration at a future meeting

No items were raised or requested.

8 Committee Decision Tracking Chart

A report was submitted.

(see annexed)

The Committee received a report which provided Members with a chart tracking detailing all of its decisions for which a follow-up was required, to enable Members to monitor any outstanding actions and seek updates at future meetings where applicable.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

Resolved that the report be noted.

9 Internal Audit Annual Report and Head of Internal Audit Opinion 2022/23

A report was submitted.

(see annexed)

The Committee received a report which provided Members with details of the work which had been undertaken for the year ended 31st March 2023, and incorporated the audit opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

The Head of Internal Audit (Mazars) presented the report and highlighted the salient points contained therein.

Resolved that: -

- (1) the report be noted.
- (2) when considering the Annual Governance Statement at agenda item 9, the Committee be requested to take into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

10 Annual Review of the Effectiveness of the System of Internal Control and Annual Governance Statement 2022/23

A report was submitted.

(see annexed)

The Committee received a report which contained the findings of the review of the effectiveness of the Council's system of internal control. This review supported the production of the Annual Governance statement (AGS) for 2022/23, which was attached to the report, and required the Committee's approval. The outcome of this process was a conclusion that the effectiveness of the system of internal control was adequate overall and there were no significant governance issues to report. Where control weaknesses had been identified, progress against such areas would be reported in due course.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

The Chair then invited both the Leader and Interim Chief Executive to address the Committee on the report findings.

The Leader thanked the Committee for the opportunity to talk to this report. He expressed his delight at the findings of the AGS and that Walsall's Audit Committee had been nationally recognised as being exceptional following the recent peer review process. In closing, he wished to extend his sincere thanks to the Chair, Committee Members, and all Officers from across to Council who helped in this process.

The interim Chief Executive echoed the sentiments expressed by the Leader and stated that she was very pleased with the AGS. She commended all involved for their hard work and dedication.

The Committee considered the report and made the following comments / recommendations: -

- Members requested the Interim Chief Executive to ensure that greater compliance was achieved in terms of Annual Performance Conversations being uploaded onto OneSource. The Interim Chief Executive advised that she would raise this matter at the next management meeting to ensure this message was cascaded down through each department to Managers.
- The Chair requested that 2 additional items be included in the updated AGS, those being; (1) Control Environment for Climate Emergency Action Plan; and (2) a simple paragraph setting out what the Council believes the key risks were likely to be over the next 12 – 24 months and how they were intended to be managed to ensure openness and transparency.

Resolved that: -

- (1) the findings arising from the annual effectiveness review into the system of internal control, as set out at Appendix 1 to the report, be received.
- (2) subject to the above recommendations by the Committee, the Annual Governance Statement, as set out at Appendix 2 to the report, which will be reviewed by the Council's External Auditors and published alongside the post-audit Statement of Accounts, be approved.
- (3) it be noted that if there are significant governance matters that arise between this report date and approval of the accounts, then an amended Review and AGS will be brought back for Audit Committee's consideration.

11 Audit Committee Role, Remit and Work Programme 2023/24

A report was submitted.

(see annexed)

The Committee received a report which outlined the remit and delegations of the Audit Committee and the proposed work programme for 2023/24 for approval. The delegations had been reviewed against the updated CIPFA Position Statement / supporting guidance and the amendments were detailed at Appendix 1 to the report. Subject to the Committee's endorsement, the revised delegations will then be forwarded to Council for approval.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

The Committee considered the report and made the following requests: -

- that a hybrid workshop / training session be arranged in July / August 2023 in order to assist Committee Members in undertaking the self-assessment.
- that the effectiveness review be extended to Officers involved in the Audit Committee, including the External Auditors, for a more diverse and well-rounded view.
- that, in relation to the wording of the Committee's Terms of Reference (Financial Management Arrangements), the wording be amended to remove any ambiguity in relation to the Committee's remit to only seek assurance on such matters, not to monitor and / or act as a scrutiny function.
- the Head of Finance – Strategic Planning and Assurance update the Committee as soon as the new contract for Internal Audit had been drafted so Members could have input into that process.

Resolved that: -

- (1) subject to the above recommendations by the Committee, the remit and delegations of the Audit Committee, which have been reviewed against the revised CIPFA Position Statement on Audit Committees and supporting guidance, be noted
- (2) subject to the above recommendations by the Committee, it be noted that, following review by the Audit Committee, the delegations will be presented to Council on 10th July 2023 for approval.
- (3) the proposed work and training programme for 2023/24 be approved.

12 Internal Audit Key Performance Indicators (KPI) 2022/23: Quarter 4

A report was submitted.

(see annexed)

The Committee received a report which provided Members with an update on Internal Audit's performance against key performance indicators for 2022/23.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

Resolved that the report be noted.

13 Pre-audit draft Statement of Accounts 2022/23

A report was submitted.

(see annexed)

The Committee received a report which presented Members with presents the Pre-Audit draft Statement of Accounts for 2022/23, along with the summarised accounts.

The Technical Accounting Treasury Management and Educational Finance Manager and the Technical Accounting Manager presented the report and highlighted the salient points contained therein.

The Committee considered the report and the Chair stated that it would be interesting / useful for the Committee to know what the accounts would look like without the pension liability included. The Technical Accounting Treasury Management and Educational Finance Manager and the Technical Accounting Manager agreed to add the requested information to the covering report when this item returned in September 2023.

The Chair wished to have the Committee's thanks recorded for the Finance Team for their hard work and dedication. In doing so, he requested that should any Members have any questions in relation to the Statement of Accounts, that they be sent directly to the Technical Accounting Treasury Management and Educational Finance Manager and the Technical Accounting Manager.

Resolved that: -

- (1) the Council's Pre-Audit Statement of Accounts, as set out at Appendix 1 to the report, be noted.
- (2) the Council's draft Summary of Accounts, as set out at Appendix 2 to the report, be noted.

14 Internal Audit Progress Report 2023/24

A report was submitted.

(see annexed)

The Committee received a report which provided Members with an update on Internal Audit's progress against the 2023/24 audit plan. Furthermore, at the previous Audit Committee meeting on 11th April 2023, it was requested that the planned audit relating to the Proud Programme be brought forward, which was now scheduled for quarter 2.

The Head of Internal Audit (Mazars) presented the report and highlighted the salient points contained therein.

Resolved that: -

- (1) the Council's Pre-Audit Statement of Accounts, as set out at Appendix 1 to the report, be noted.
- (2) the Council's draft Summary of Accounts, as set out at Appendix 2 to the report, be noted.

15 Private Session – Exclusion of the Public

Resolved that during consideration of the remaining items on the agenda, the Committee considers that the items for consideration are exempt information for the reasons set out therein and Section 100A of the Local Government Act, 1972, and accordingly resolves to consider the items in private.

16 Follow up of High Priority Recommendations

A report was submitted.

(see annexed)

The Committee received a report which provided Members with an updated position on implementation of high priority recommendations not previously reported as "implemented" to the Audit Committee.

The Head of Internal Audit (Mazars) presented the report and highlighted the salient points contained therein.

The Committee considered the report and Members sought updates from Officers on a number of items contained within the report.

Resolved that report be noted.

[Exempt information under paragraph 3 of Schedule 12a of the Local Government Act 1972]

Councillor Nawaz, having declared an interest in this item, withdrew from the meeting.

Termination of meeting

There being no further business the meeting terminated at 7.22pm.

Chair:

Date: