

AUDIT COMMITTEE

Thursday 28 April 2022 at 6.00 p.m.

Held in Conference room 2, Council House, Walsall

Present:

Mr A. Green
Councillor Elson
Councillor. Flint
Councillor. Martin
Councillor. Robertson
Sureya Ajaz

Officers

Executive Director – Resources and Transformation
Director of Finance and Corporate Landlord
Monitoring Officer
Head of Finance and Assurance
Head of Finance - Technical and Transactional
Corporate Assurance Manager
Technical Accounting, Treasury Management & Education Finance Manager
Representative of Mazars
Representatives of Grant Thornton (GT)
Principal Democratic Services Officer
Public Health Service Development Manager
Director of Public Health
Group Manager – Planning
Interim Public Health Consultant
Portfolio Holder Public Health

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.

58/21 Apologies

Apologies were submitted on behalf of Councillors Johal and Chatta. Councillor Elson substituted on behalf of Councillor Chatta.

59/21 Minutes of meeting held on 22 February 2022

The revised minutes (annexed) of the meeting held on 22 February 2022 were considered.

Resolved

That the minutes of the meeting held on 22 February 2022 were agreed as a true and accurate record.

60/21 Declarations of Interest

There were no declarations of interest.

61/21 Deputations and Petitions

There were no deputations submitted or petitions received.

62/21 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.

63/21 Notification of any issues of importance for consideration at a future meeting

A Member raised the issue of the use of both the transformation fund and better care fund and asked that this be subject to audit. The Chair suggested that this be discussed under the agenda item for the internal audit work plan 2022/23.

64/21 Committee Decision Tracking Chart

The Committee considered the committee decision-tracking chart.

Resolved:

That the committee decision tracking chart was noted.

65/21 External Audit – Audit Planning Report for the Year Ending 31 March 2022

The External Audit representative presented the report and highlighted the salient points (annexed). The Committee were informed that the report provided the details of the External Auditors audit plan for the financial year ending 31 March 2022. It detailed the planned audit strategy driven by an assessment of the key issues and significant risks that could affect the accounts, details of materiality, value for money arrangements and revised audit fees.

Key areas of risk assessment and tailoring were described including the value for money findings and recommendations were set out within the report. Financial sustainability had been identified as a key area of focus for the External Auditors, due to the challenging agenda of financial savings, the ongoing impact of the pandemic and demand led pressures.

The Chair highlighted that an updated version of the report had been circulated to Committee Members which included updated proposed fees (annexed).

A Member questioned if the 3 significant risks which had been identified and asked for assurance that the risks were under control. The External Audit representative noted that the identified risks were flagged as significant and had been consistent risks for a number of years – with no increased risk to the Council. However the level of work that external auditors were carrying out on these risks had increased. It was explained that the impact of the Proud programme had been identified as an area of focus in the value for money but did not impact on the financial statements.

A Member questioned how land was valued, Officers confirmed that depending on the type of assets both internal and external valuations were completed, and this took place on a rolling 5 year programme.

A Member questioned if the Council's accounting policies needed to be changed in response to changes to CIPFA's code. The External Audit representative stated that the most effective way of doing this was being considered.

Resolved

That the External Audit – Audit Planning Report for the Year Ending 31 March 2022 be noted.

66/21 Amendments to Officer delegations under Part 3.5 of the Council's constitution

The Principal Democratic Services Officer introduced the report and highlighted the salient points (annexed). The report detailed the review and proposed changes to the officer delegations within the Council's constitution. Further points for audit's attention were detailed at 3.3, a delegation was sought to allow the Director of Governance to make minor changes to the constitution when required to ensure that the council could respond quickly when needed. It was stressed that a table of changes made to the constitution under these delegations would be kept and reported as part of a public report. It was noted that the report formed part of a wider report to Council.

The Monitoring Officer stated that the constitution was reviewed on an annual basis to ensure that it was kept up to date and that anomalies were addressed. It was important that members of the public understood decision making across the authority.

A discussion ensued on officers exceeding delegation of powers and through rules in place, officers could be held to account if this happened.

A Member questioned how 'minor/necessary' amendments would be made. The Monitoring Officer illustrated such changes and confirmed that any changes made would be included along with the reasons for the change.

Resolved

That the Amendments to Officer delegations under Part 3.5 of the Council's constitution be noted.

67/21 Performance Management Framework 2022-2025

The Head of Finance and Assurance introduced the report and informed the Committee that the Performance Management Framework set out the broad performance management principles for the authority, and how the council ensured the delivery of the 'Our Council Plan 2022-2025'.

The Corporate Assurance Manager presented the report and highlighted the salient points (annexed). The significant changes and amendments to the report were detailed.

A Member highlighted the absence of key performance indicators which would determine if the markers for success had been achieved. The Head of Finance and Assurance drew member's attention to the cover report and stated that the key performance indicators were in development and proposed that the template for this was shared with the audit committee prior to quarter one reporting.

A Member suggested that it may be useful for the 'Performance Management Responsibilities' section to be presented into table form along with timescales and details of responsible officers.

The Committee discussed complaints received by the Council as an effective marker of success, officers confirmed that complaints were considered and included as part of the effectiveness review of the Annual Governance Statement, along with various officer groups.

Officers agreed to take on board the suggested that performance indicators were RAG rated.

Resolved

That the Audit Committee reviewed and noted the Performance Management Framework 2022-2025 as presented.

68/21 Internal Audit Progress Report 2021/22 and KPI's

The Head of Internal Audit presented the report and highlighted the salient points (annexed). The report set out the Internal audit work carried out, as at the end of quarter 4, since the last meeting.

The Committees were informed that work was planned to clear long standing 'follow up recommendations', work would be completed with responsible officers for these recommendations to ensure that they were still relevant. It was hoped that through this work the list would be reduced.

The Committee were informed that audits had been removed from the internal audit work plan due to the production of external independent reports.

Resolved

That the Internal Audit Progress Report 2021/22 and KPI's be noted.

69/21 Updated Anti-Money Laundering Policy

The Head of Finance (Technical and Transactional) presented the report and highlighted the salient points (annexed). The Committee were informed that this policy was last updated in 2017, and since this date there had been revised regulations negating the need to update the authorities' policy.

A Member questioned if anonymous reporting was permissible and if so whether provision should be in the policy. The Officer stated that it was not a requirement for details to be included on the form when reporting, and if details were not included the incident was still investigated. This policy complemented the anti-fraud policy.

A Member challenged if timescales should be included within the policy. Officers confirmed that the regulations used the term 'promptly'. Members agreed that a maximum timescale would be helpful. The Head of Finance and

Assurance assured Members that such issues were dealt with very promptly, and gave the example of a case that was dealt within 48 hours.

Officer's clarified that the reference to euros related to the fact that the regulations were European now adopted in the UK.

Resolved

That the Updated Anti-money Laundering Policy was noted and approved.

70/21 Accounting Policies 2021/2022

The Technical Accounting, Treasury Management & Education Finance Manager presented the report and highlighted the salient points (annexed). The Committee were informed that the report set out the significant accounting policies that were being used in the preparation of the 2021/22 accounts process. The change to the wording for interests in companies and other entities to take into account how the council would account for Sherbourne Recycling Ltd was highlighted.

It was noted that the Audit Committee had received training on the Accounting Policies.

Resolved

That the report on Accounting Policies 2021/22 was noted

71/21 Inspection reports 2021/2022

The Head of Finance and Assurance presented the reports and highlighted the salient points (annexed). The Committee were informed that the report provided oversight of inspection and independent reviews undertaken during 2021/22, recommendations from which may contribute to the internal control environment and the Annual Governance Statement for 2021/22. The report provided Audit Committee with information on the Ofsted inspection of children's services along with detail on two independent reviews, as follows:

- Youth Justice HMP Assurance project independent review
- Adult Social Care Pause and Learn.

The approach taken by Adult Social Care was commended by the Committee.

Resolved

That the inspection reports 2021/2022 be noted.

72/21 Assurance Map

The Head of Internal Audit presented the report and highlighted the salient points (annexed). The report presents an updated position on the work that commenced in November 2021, and included the main sources of assurance across the Council against each of the Strategic Risks. This would be an ongoing piece of work as strategic risks changed.

A Member asked for clarification in relation to the key, and suggested this needed defining. The Head of internal Audit stated that the intention was to indicate the level of assurance provided. The Chair suggested that the description should be placed on the key.

Resolved

- 1. That the Assurance Map be noted**
- 2. A training session on risk management and the assurance map be arranged.**

The Committee moved into private session.

73/21 Reports of Interest to Members – S106 Planning Obligations and Governance Arrangements for Monitoring Public Health Outcomes

The Head of Internal Audit presented the report and highlighted the salient points (annexed).

The Chair concluded that the Audit Committee received regular updates on high priority recommendations including those identified in the report.

Resolved that

- 1. The Audit Committee notes the report and requested that the Head of Internal Audit monitors the recommendations.**
- 2. Officers consider how to progress the recruitment of the Development Monitoring Officer post.**

74/21 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).

The Head of Internal Audit presented the report (annexed) and highlighted the salient points.

Resolved

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

75/21 Minutes of meeting held on 22 February 2022

(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 22 February 2022 were submitted.

(See annexed)

Resolved

That the private minutes of meeting held on be agreed.

Termination of Meeting

The meeting terminated at 7.56 pm.

Chair.....
Date.....

