

AUDIT COMMITTEE

23rd March 2021 at 6.00 p.m.

Virtual meeting via Microsoft Teams

Held in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020; and conducted according to the Councils Standing Orders for Remote Meetings and those set out in the Council's Constitution.

Present:

Mr A. Green
Councillor G. Ali
Councillor J. Fitzpatrick
Councillor. Johal
Councillor Rasab
Councillor Robertson
S. Gulzar

Officers

Interim Executive Director – Resources and Transformation
Interim Director of Finance, Corporate Performance Management and
Corporate Landlord
Interim Head of Finance - Corporate
Finance Manager - Technical Accounting and Treasury Management

Representative of Mazars
Representatives of Grant Thornton (GT)

Welcome

At this point in the meeting, the Chair opened the meeting by welcoming everyone, and explaining the rules of procedure and legal context in which the meeting was being held. He also directed members of the public viewing the meeting 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.

63/20 **Apologies**

There were no apologies submitted for the duration of the meeting.

64/20 **Minutes**

A copy of the minutes of the meeting held on 25th January 2021, were submitted:-

(see annexed)

Resolved -

That the minutes of the meeting held on 25th January, 2021 a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record, subject to the following points of accuracy:

- 1. Under minute 59/20, the statement 'Public Health budget' should be replaced with 'Public Health Services'**
- 2. Under 61/20 the phrase 'audit financial statements' should be replaced with the 'final audit letter'.**

65/20 **Declarations of Interest**

There were no declarations of interest.

66/20 **Deputations and Petitions**

There were no deputations submitted or petitions received.

67/20 **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.

68/20 **Notification of any issues of importance for consideration at a future meeting**

There were no issues raised as issues of importance for consideration at a future meeting.

69/20 **Committee Decision Tracking Chart**

The Committee considered the committee decision-tracking chart.

Resolved -

That the committee decision tracking chart was noted.

70/20 **Internal Audit Work Plan 2021/2022**

The Internal Audit representative introduced the report and highlighted the salient points. The Committee were informed that the report detailed the Internal Audit Plan for 2021/22 for Audit Committee's consideration and approval. The purpose of this document was to provide the Audit Committee with an update of the Strategy and the proposed 2021/22 Plan for consideration and approval. Members were assured that capacity had been built into the plan for issues that may arise throughout the year.

A Member questioned if the assurance could be provided in relation to Covid-19 grant. The Internal Audit representative stated that the Committee would be updated at the April Committee.

In response to a query from a Member the Internal Audit representative stated that detailed scopes were not yet in place, and this would be further defined in the future. It was confirmed that the updated work plan would be included in the 'internal audit work plan progress report'. It was clarified that 'governance arrangements for monitoring public health outcomes' related to an incorporation of strategic risks. The Internal Audit representative was asked if it was reasonable to schedule 'Walsall Proud programme' within the work plan in quarters 2 to 4. Members were assured that there was ongoing work in relation to the proud programme and this would be shared with external auditors. The External Audit representative stated that this was considered appropriate.

Resolved -

That the Internal Audit Work Plan 2021/2022 be noted.

71/20 **Update on Internal Audit Actions requested at 25 January 2021 Audit Committee**

The Internal Audit representative presented the report to the Committee and stated that this report provided an update to Audit Committee on Internal Audit actions requested at the 25 January, 2021 meeting of the Audit Committee. This was in respect of requests for extensions when

implementing internal audit actions, which are not reasonable; and an update on the outcome of the Internal Audit of Covid-19 Governance and Controls. It was noted that this was a positive piece of work for the authority.

Resolved -

That the Update on Internal Audit Actions requested at 25 January 2021 Audit Committee was noted.

72/20

External Audit – Audit Planning Report for the Year Ending 31 March 2021 and Sector Update

The External Audit representative introduced the report and highlighted the salient points. The report provided an update to Audit Committee on the External Auditor's Audit Plan for the financial year ending 31 March 2021, along with a progress report and sector update. It detailed the planned audit strategy driven by an assessment of the key issues and significant risks that could affect the accounts. The plan covered the work to be undertaken to provide the Council with an opinion on the financial statements together with the value for money conclusion.

Members were informed that the National Audit Office had revised the 'code of practice' and the scope of the 'value for money work', which was welcomed. The Committee were informed that a more detailed report on the 'Redmond Review' would be taken to the next meeting of the Audit Committee.

In relation to 'implementation of the new general ledger accounting systems' a Member questioned how any issues had been overcome and if all processes and controls had been adhered to. It was noted that this was in the internal audit plan, and these would be reported on.

External Audit were asked if they were receiving adequate support to inform the audit risk assessment. Members were assured that this was the case.

A Member questioned how Walsall compared to neighbouring authorities; External Audit stated that work needed to be done to inform these questions. However, indications suggested that Walsall was a well-run Council. Further detail would be provided as part of the value for money assessment.

73/20

External Audit – Informing the Audit Risk Assessment

The External Audit representative spoke to the report and described the salient points. The Committee were informed that audit arrangements required Grant Thornton to formally update their understanding of management's processes and arrangements annually. The main areas of focus were contained within the report, and those areas would be incorporated into the External Audit formal plan. A comprehensive response

had been received from Officers and External Audit were satisfied that appropriate arrangements were in place.

A Member asked how the Audit Committee could be better informed on the selected processes in a timelier manner. It was confirmed that once more detail was gathered it could be provided to the Committee. In addition, specialists could be invited to attend the Audit Committee to provide further information. External Audit asked Members to confirm if the report was broadly consistent of their experience and if they were comfortable with the suggestions within the report. The Committee discussed the recommendations and considered if they were able to support the management response to the series of questions set out in appendix 1

Resolved that -

The Audit Committee considered and endorsed the management response to the series of questions set out in appendix 1.

Private session

Exclusion of Public

Resolved -

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

74/20 Update on internal audit priority 1 recommendations

A report was submitted.

(See annexed)

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

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

75/20 Saddlers Centre Internal Audit Report

A report was submitted.

**Resolved -
That the Saddlers Centre Internal Audit report be noted.**

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

76/20 Minutes of meeting held on 25th January 2021

The private set of minutes for the meeting held on 25th January, 2021 were submitted.

(See annexed)

**Resolved -
That the private minutes of meeting held on 25th January 2021 be noted.**

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

Termination of Meeting

The meeting terminated at 7.00 p.m.

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

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