

MINUTES OF THE AUDIT COMMITTEE

11th April 2023 at 6.00pm

Held at the Council House, Walsall

Present:

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

In attendance

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
R. Page	Technical Accounting Manager
S. Knowles	Head of Internal Audit (Mazars)
A. Cox	Director of Governance and Monitoring Officer
H. Dudson	Electoral Services Manager

16/23 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.

17/23 Apologies

There were no apologies.

18/23 Minutes

Resolved that the minutes of the meeting held on 2nd March 2023, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

19/23 Declarations of Interest

There were no declarations of interest.

20/23 Deputations and Petitions

There were no deputations submitted or petitions received.

21/23 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.

22/23 Notification of any issues of importance for consideration at a future meeting

No items were raised or requested.

23/23 Committee Decision Tracking Chart

A report was submitted.

(see annexed)

The Committee received a report which provided Members with a chart tracking 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.

Resolved that the report be noted.

24/23 Voter Identification

A report was submitted.

(see annexed)

The Committee received a report which provided Members with the information around the implications of the Voter I.D. requirements which were coming into effect for the Local Elections on the 4 May 2023. The report sought to outline the responsibilities of the Returning Officer (RO) and Electoral Registration Officer (ERO), the legislative changes brought in by the Elections Act 2022 and Voter Identification Regulations 2022, acceptable identification, voter authority certificates and the responsibility of the Presiding Officer. In addition, it also detailed the actions being taken by the Council to fulfil these responsibilities.

The Director of Governance and Monitoring Officer and the Electoral Service Manager presented the report and highlighted the salient points contained therein.

Members asked a series of question in relation to this item. The Chair reminded the Members that it was beyond the Committee's remit to delve too deeply into the detail on this item. The Committee was required only to see assurances around the systems of control on Voter I.D.

Members gained assurance from Officers that appropriate training would be provided for staff helping out on the elections and that extra staff and resources would be put in place due to the new arrangement and requirements brought about as a result of the new Voter I.D. requirements.

Furthermore, the Committee enquired if it held data on applications for Voter I.D. in the event of an Appeal, so the Council could mitigate any risks arising. The Electoral Services Manager advised that this data was held on the Government Portal system and was not accessible by the Council.

Arising from further discussions, the Director of Governance and Monitoring Officer stated that he would bring a report back to a future meeting after the elections had taken place assessing the systems of control in place, how well they had worked, and any lessons learned.

Resolved that: -

- (1) the responsibilities of the Returning Officer and the Electoral Registration Officer together with the actions being taken to deliver these responsibilities be noted.
- (2) a report be brought back to a future meeting of the Committee after the elections detailing how the system of control around Voter I.D. performed, along with any lessons learned.

25/23 Strategic Risk Register Report

A report was submitted.

(see annexed)

The Committee received a report which provided Members with the updated Strategic Risk Register (SRR) to allow the Committee to choose one or more risks to review.

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

Members discussed the SRR and chose four risks to be considered at future meetings of the Committee.

Resolved that that the following risks be brought back to future meetings for discussion with the appropriate lead Officer for each risk, and that Officers be delegated authority to determine which meetings these items are assigned to:

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- 2 (Proud Continuous Improvement does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community)
- 4b (Adult Social Care: The risk of being unable to maintain service standards to support the most vulnerable in the Borough continues to provide some challenges at this time due to increased demand on adult social care)
- 8 (Risk of Cyber Security attacks)
- 9 (Threats in relation to failing to comply with the legal obligations and duties of the UK General Data Protection Regulations, the Data Protection Act 2018 and relevant legislative requirements)

26/23 Refresh of Local Code of Governance

A report was submitted.

(see annexed)

The Committee received a report which detailed various amendments to Local Code of Governance (LCOG) for the Committee's consideration.

The LCOG had last been reviewed in 2017, and its refresh was an action identified and agreed as part of the Review of Effectiveness of Internal Controls and Annual Governance Statement.

The Director – Corporate Finance, Performance & Corporate Landlord presented the report and highlighted the salient points contained therein.

The Chair raised the following comments for Officers to note and consider on this item: -

- It felt to him that this was something the Council was doing because it had to, rather than the Council actually owning the contents. He added that he was not saying that the content was bad or lacking in any way. He felt it could be worded and presented in a better way.
- In Section 1 (Corporate Aims), he queried the needs for this in a Governance Document, where the relevant document could be referred to instead.
- He noted the inclusion of the PLATE values, but queried why there was nothing in the document referring to the NOLAN Principles. He felt these principles should be prominent in this document.

- The three lines of defence he felt were a little unclear and he would have preferred to have seen clearer wording relating to an accountability structure to help people understand where accountabilities / responsibilities lay.
- He added that more should be included about the system and structures in place; i.e., where does the executive / scrutiny sit with the Council structure and key lines of reporting etc.

The Director of Governance and Monitoring Officer stated that he felt this document was much improved over the previous version and that Officers would take on board the comments raised. This document had been adapted from a CIPFA template, which may explain some of the comments made. The real challenge now, as he saw it, was to ensure that the document was meaningful and embedded throughout the organisation and to do so would require a simple message to be broken down in an understandable and meaningful way.

Resolved that, subject to the above comments from the Chair, the draft Local Code of Governance attached as an Appendix to the report be endorsed (subject to minor final amendments) to enable it to be utilised to assist in the assurance gathering process for the Annual Governance Statement.

27/23 Review of the Effectiveness of the Audit Committee

A report was submitted.

(see annexed)

The Committee received a report which provided Members with an update on the arrangements for undertaking a review of the 'effectiveness of the Audit Committee' as recommended by Chartered Institute of Public Finance and Accountancy (CIPFA) for the Committee's consideration.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein. In addition, she confirmed that she would be circulating the CIPFA 'Guidance for Members' document to each Member on the Committee after the meeting for their perusal.

Members discussed the report and commented that there was an apparent need for continuity of committee membership between years. The Chair agreed and reminded the committee that this issue had been raised many times in recent years.

Resolved that the revised guidance be noted and that the timing and approach to undertaking the effectiveness review, as set out in 4.9 of the report, be approved.

28/23 Internal Audit Progress Report 2022-23

A report was submitted.

(see annexed)

The Committee received a report which detailed that the Accounts and Audit Regulations 2015, which had come into effect on 1st April 2015, required Councils to undertake an effective Internal Audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

Internal Audit also had an independent and objective consultancy role to help line managers improve risk management, governance and control.

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

Resolved that the report be noted.

29/23 Counter Fraud and Corruption Arrangements Update

A report was submitted.

(see annexed)

The Committee received a report which provided Members with details to ensure that the Committee was aware of the work being progressed in relation to the Counter Fraud response Plan and to allow any questions to be raised or clarification to be provided, where necessary.

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

The Chair requested the Head of Finance – Strategic Planning and Assurance to consider whether a 12-month extension to the Solihull contract was adequate, or whether a longer-term contract could be negotiated.

Resolved that the report be noted and that Head of Finance – Strategic Planning and Assurance provide an update on the contractual position in due course.

30/23 Accounting Policies 2022-23

A report was submitted.

(see annexed)

The Committee received a report which provided details on the accounting policies which would be used in the preparation of the 2022/23 financial statements.

The Technical Accounting Manager presented the report and highlighted the salient points contained therein.

Resolved that the accounting policies, as set out at Appendix 1 to the report, and that they will be used in the completion of the Council's financial statements for 2022/23, be noted.

31/23 External Audit Plan 2022-23

A report was submitted.

(see annexed)

The Committee received a report which provided the Committee with the indicative external audit planning report for 2022/23.

The Technical Accounting Manager presented the report and highlighted the salient points contained therein. In doing so, he advised the Committee that, unfortunately, there was no one from Grant Thornton (GT) available to attend the meeting and answer questions on this item. In addition, he advised the Committee that GT had not yet finalised the plan, due to the late sign off of the previous year's Accounts.

The Chair sought the opinion of the Director – Corporate Finance, Performance & Corporate Landlord as to whether or not he was content with the Audit Planning Report. The Director – Corporate Finance, Performance & Corporate Landlord stated that he was content with the proposals, but he felt it would be a challenge for GT to comply with the timetable, but Officers were confident that the council would meet its own timelines.

The Chair suggested the Committee hold a private meeting with Grant Thornton about the audit plan without Officers at the conclusion of the next scheduled meeting. Members agreed with this proposal.

Resolved that report be noted.

32/23 Corporate Peer Challenge Report

A report was submitted.

(see annexed)

The Committee received a report which provided Members with oversight of the Local Government Association (LGA) Corporate Peer Challenge which

had been undertaken in January 2023. The findings and recommendations from which may contribute to the Councils' overall internal control environment and the Annual Governance Statement for 2022/23, for which the Audit Committee had a role in providing independent assurance.

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

The Chair commented that the findings of the report were very positive, particularly in relation to comments on the effectiveness of the Audit Committee. In doing so, he sought the Committee's approval that this item was no longer required to come back to a future meeting, in view of the fact that this item was part a wider review and not particularly for the Audit Committee to monitor. Members were in agreement with this proposal.

Resolved that that the accounting policies, as set out at Appendix 1 to the report, be noted.

33/23 Internal Audit Work Plan 2023-24

A report was submitted.

(see annexed)

The Committee received a report which detailed the recommended Internal Audit Plan for 2023/24, for Audit Committee's consideration and approval. The Internal Audit Charter, had been approved by the Committee at its March meeting, was also attached to the plan.

The Accounts and Audit Regulations 2015, which came into effect on 1st April 2015, required Councils to undertake an effective Internal Audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

Internal Audit also had an independent and objective consultancy role to help line managers improve risk management, governance and control. The annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control had been based on the work included in the plan and was an important source of assurance which supported the Annual Governance Statement.

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

The Chair requested that the Proud Programme be brought forward from Quarter 3. The Head of Internal Audit (Mazars) agreed to discuss with Officers and bring this item forward on the plan.

Resolved that, subject to the above request from the Chair, the report be noted.

34/23 Annual audit report 2021-22

A report was submitted.

(see annexed)

The Committee received a report which provided Members with the Annual Audit Report for the financial year ending 2021/22 following the conclusion of the audit.

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

Resolved that: -

- (1) the Annual Audit report, as set out at Appendix 1 to the report, be noted.
- (2) it be noted that the report will be forwarded onto Council for its consideration.

35/23 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.

36/23 Follow up of High Priority Recommendations

A report was submitted.

(see annexed)

The Committee received a report which provided an update on the implementation of high priority recommendations not previously reported as “implemented” to the Committee.

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

In addition, the Head of Finance – Strategic Planning and Assurance provided a verbal update to Members on a recent Fraud investigation.

Resolved that report be noted.

Termination of meeting

There being no further business the meeting terminated at 7.44pm.

Chair:

Date: