

AUDIT AND GOVERNANCE COMMITTEE

8th December 2021

Present: Councillor Alan Amos in the Chair
Councillors Agar, Barnes (Vice-Chair),
Mrs L. Hodgson (for Councillor Bayliss),
Johnson, Laurenson and Mackay (for
Councillor Hassan)

Officers: Shane Flynn, Corporate Director – Finance
and Resources
Mark Baldwin, Head of Finance
Andy Bromage, Head of Internal Audit
Shared Service

Apologies: Councillors Bayliss and Hassan

Also in Attendance:
Natalie Ryan, Ernst and Young LLP

8 Declarations of Interest

None.

9 Public Participation

None.

10 Minutes

RESOLVED: That the minutes of the meeting held on 15TH July 2021 be approved as a correct record and signed by the Chairman.

11 External Audit Plan 2020/21

The Committee considered a report on the External Audit Plan 2020/21.

The Council's independent external auditors, Ernst and Young had submitted their Audit Plan report for year ending 31st March 2022, attached as appendix 1. The report outlined their proposed approach to planning and delivering their audit and the fees for 2020/21 financial year.

The audit fee for 2020/21 was set by the Public Sector Audit Appointments Board (PSAA) as £39,362 and is in line with the approved budget. In addition, Ernst Young are proposing a further scale fee of 27,400 which is the same as the supplementary scale fee they have submitted for approval to the PSAA for 2019/20. Other fees for 2020/21 are yet to be determined, Ernst Young have also indicated that there will be additional costs involved in the 2021/21 audit which were highlighted in paragraph 3.4 of the report.

Natalie Ryan, representative for Ernst and Young, presented their Audit Plan report for 2020/21 and responded to points of clarification, within the report, from Committee Members. The Corporate Director – Finance and Resources also responded to questions from Committee Members related to the final fee for 2019/20 and the audit timeline.

RESOLVED: That the Committee endorse the external auditor’s Audit Plan for 2020/21.

12 Internal Audit Progress Report 2021/22

The Committee considered a report on Internal Audit’s progress towards meeting its objectives as set out in the audit plan for 2021/22.

The Head of Internal Audit Shared Service presented the report and summarised the main points. Details of appendices 1-5 attached to the report were highlighted at paragraphs 8.1-8.5.

The Head of Internal Audit Shared Services responded to questions from Committee Members on various aspects of the report and its appendices. In particular points of clarification were requested on several of the follow up and completed audits in appendices 3 and 4.

In referring to the follow up report for Homelessness – Processes and Procedures, it was asked that the words people or person be used rather than customer. This was noted by the Head of Internal Audit and Shared Services. In response to a question on the car parking management issues in the 1st follow up report for Car Parking 2021/21, the Chairman asked that the Head of Internal Audit and Shared Services respond to him and the Committee Member outside of the meeting, as this was not a matter for discussion in public.

RESOLVED: That the Committee note the report.

13 Appointment of External Auditor

The Committee considered a report on the appointment of External Auditors.

The contract with Ernst Young is due to expire following the audit of the 2022/23 accounts and the Public Sector Audit Appointments (PSAA) have launched a new ‘opt-in’ process. The Council has until 11th March 2022 to notify PSAA of its intentions. If the Council decided not to accept the invitation to opt in by the closing date, it may make a request to opt in, but after 1st April 2023.

The Local Government Association (LGA) wrote to Chief Executives and Directors in Finance in all Councils in England and Wales on 23rd September 2021, recommending that they opt into the process. A copy of the LGA letter is attached as Annex A to the report.

The preferred option is to opt into the auditor appointments process for the appointment of auditors for the five year period commencing financial year 2023/24. The alternative option to not opt in and seek to appoint a local auditor was considered and the reasons for not proceeding with this were highlighted in section 4 of the report.

The Corporate Director – Finance and Resources responded to questions from Committee Members who agreed with the decision to opt in.

RESOLVED: That the Committee recommends to Full Council agreement to opt into the PSAA auditor appointments process for the period 2022 - 27.

14 Any Other Business

None.

Duration of the meeting: 7.00p.m. to 7.55p.m.

Chairman at the meeting on
23rd March 2022