

AUDIT AND GOVERNANCE COMMITTEE

21st September 2022

Present: Councillor Alan Amos in the Chair
Councillors Barnes (Vice-Chair), Bayliss,
Lamb, Lawrance, Mackay and Piotrowski

Officers: Mark Baldwin, Head of Finance
Andy Bromage, Head of Internal Audit
Shared Services

7 Declarations of Interest

None.

8 Public Participation

None.

9 Minutes

RESOLVED: That the minutes of the meeting held on 13th July 2022 be approved as a correct record and signed by the Chairman.

10 External Audit Progress 2020/21 and 2021/22

The Committee received a report on the external audit progress for 2020/21 and 2021/22.

The Head of Finance, in presenting the report, provided Committee Members with background to the 2020/21 and 2021/22 accounts and audit, together with the audit fees.

The Committee Members attention was drawn to paragraph 3.4 of the report which identified the degree of scrutiny exercised by the auditors which has increased significantly, requiring extra input from them and the City Council's own finance team. This has resulted in a greater number of proposed amendments to the draft accounts than had been in previous years, which were of minor detail, and are now being reviewed.

It is anticipated at this stage that the details of these amendments along with the final accounts and the external report for 2020/21 will be presented to the December meeting. It is hoped that Ernst Young will be in attendance at the meeting.

With regard to the draft accounts for 2021/22 Committee Members were informed that these were near completion. The statutory deadline for publishing the final accounts has been extended to 30 November 2022, however this is unlikely to be achieved as the plan and proposed dates for the audit of 2021/22 financial year have not yet been received.

The Head of Finance referred to the audit fees as outlined at paragraphs 3.8 and 3.9 of the report.

The Committee's attention was drawn to paragraph 3.9 which related to the proposed fee for 2022/23, and informed Committee Members that the figure should read £48,364 and not £39,364.

The Chairman stated that the current situation was quite unprecedented and had no bearing on the officers of the City Council. He did ask the Finance Officer what affect this workload was having on the officers. The Head of Finance responded by saying that they are an experienced team and was pleased to report that no deadlines have been missed. He did stress however that the 4-year situation was a bit wearing.

The Head of Finance responded to questions from Committee Members who questioned the increased scrutiny and whether there was a set of guidelines that had been agreed to carry out such a scrutiny. The Head of Finance stated that if the auditors were in attendance at the meeting, they may have said that they have not adopted a different approach.

As the audited accounts were already 2 years behind at the moment, Committee Members questioned the implications to the Council and credit ratings of not getting the accounts in on time. The Head of Finance explained the difference between private and public sector accounts and the consequence of not submitting accounts on time.

RESOLVED: That the Committee note the external auditor's progress with the audits for 2020/21 and 2021/22.

11 Internal Audit Progress Report 2022/23

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 period of reporting covers up to 31st July 2022.

The Head of Internal Audit Shared Service presented the report and summarised the main points. Details of appendices 1-4 attached to the report were highlighted at paragraphs 9.1-9.4.

Since the last progress report all 2021/22 reviews have been completed with the assurances reported as part of the annual report. Several 2022/23 reviews have commenced since the last committee meeting, two have been finalised, two are ongoing, three additional investigatory reviews have taken place and the Green Homes Grants have been signed off.

At the July committee meeting the Chairman requested that internal audit report specifically on the 'End of Project' reporting regarding community grants issued. A piece of work was undertaken by internal audit and was reported at Appendix 3. Further details on grants processed were highlighted in paragraphs 4.6-4.8 of the report. The Head of Internal Audit Shared Service gave assurances on the community grants process.

Committee Members were reassured by the community grants process and asked if the Covid Recovery Grants available to Members could also be reviewed at the end of the process to ensure that the monies allocated have been used appropriately. The Head of Internal Audit Shared Service agreed to report on this specific piece of work.

It was asked if the criteria for the distribution of grants was included in the audit process. In response the Head of Internal Audit Shared Service stated that in order to understand a review, a scoping sheet is set out within agreed parameters and monitored.

RESOLVED: That the Committee note the report.

12 Any Other Business

None.

Duration of the meeting: 7.00p.m. to 7.30p.m.

Chairman at the meeting on
7th December 2022