

## **AUDIT AND GOVERNANCE COMMITTEE**

**15th July 2021**

- Present:** Councillor Alan Amos in the Chair  
Councillors Agar, Barnes (Vice-Chair),  
Johnson and Laurenson
- Officers:** Shane Flynn, Corporate Director – Finance  
and Resources  
Sian Stroud, Deputy Director – Governance  
Mark Baldwin, Head of Finance  
Andy Bromage, Head of Internal Audit  
Shared Service
- Apologies:** Councillor Bayliss

**1 Declarations of Interest**

None.

**2 Public Participation**

None.

**3 Minutes**

**RESOLVED: That the minutes of the meeting held on 24<sup>th</sup> March 2021 be approved as a correct and signed by the Chairman.**

**4 Annual Governance Statement 2020/21**

The Committee considered a report on the Annual Governance Statement 2020/21.

The Council's governance arrangements have been reviewed and an Annual Governance Statement (AGS) has been drafted and attached as appendix 1 to the report. Overall the Council's assessment of its governance is positive. The reasons for this, and the potential governance challenges ahead in the next year, are detailed in the AGS.

The Deputy Director – Governance in presenting the report informed Members that the year had been dominated by the management of the response to the Covid-19 pandemic and highlighted the key points in maintaining service delivery.

Once approved the AGS will be signed by the Leader of the Council and the Managing Director (Head of Paid Service) on behalf of the Council. The agreed statement will be published and will accompany the Council's Statement of Accounts when completed.

The Corporate Director – Finance and Resources and the Deputy Director – Governance responded to questions from Committee Members, who thanked Officers for a comprehensive and clear report.

**RESOLVED: That the Committee approve the Annual Governance Statement 2020/21 at Appendix 1 for sign off by the Leader of the Council and the Managing Director for inclusion in the Annual Statement of Accounts.**

## **5 Annual Accounts and External Audit 2020/21**

The Committee considered the Annual Accounts and External Audit for 2020/21.

The Head of Finance, in presenting the report, stated that the Committee would normally see the accounts at this time of year, together with the External Auditors in attendance, however following recent correspondence from Ernst and Young the external audit scheduled to commence June 2021 is no longer possible.

The delayed start for the audit means the statutory deadline for publishing the audited annual accounts by 30<sup>th</sup> September 2021 will be missed. The Council has responded with a letter from the Chairman and Vice Chair of the Committee, this was attached as appendix 1 to the report. Committee Members noted the strongly worded letter.

Members of the Committee were informed that Ernst and Young plan to commence the audit of the three South Worcestershire District Councils from 25<sup>th</sup> October 2021. The City Council's proposed approach to this was set out in paragraph 3.7 of the report which was to run the audit concurrently with the two other local authorities, which was adopted successfully for the 2019/20 audit.

The Corporate Director – Finance and Resources responded to questions from Committee Members, in particular relating to the audit of Housing Benefit Subsidy and who will undertake this as Ernst and Young were no longer going to carry this out and the issue of the final fee for 2019/20 which has yet to be agreed.

The Corporate Director – Finance and Resources in response stated that new auditors will be procured, maybe locally and did look at Grant Thornton who have experience but unfortunately do not have the capacity. With regard to the fee, further clarity is required

Committee Members noted that Ernst and Young were appointed by the Public Sector Appointments body for a 5 year period 2018/19 to 2022/23 and agreed it was good practice to change auditors and options need to be explored.

**RESOLVED: That the Committee:**

- 1. note the plans for publishing the annual Statement of Accounts; and**
- 2. approves the proposed approach for the external audit for 2020/21.**

## **6 Internal Audit 2020/21 Annual Reporting including the Audit Opinion and Commentary**

The Committee considered a report on Internal Audit Activity during 2020/21 and an overall Internal Audit Opinion for 2020/21.

The Head of Internal Audit Shared Services presented the report and summarised the main points, and drew the Committee's attention to the appendices attached to the report.

Committee Members were informed that of the 13 audit reviews that took place, all have been allocated an overall assurance of 'moderate' or above where an assurance has been provided. 'Moderate' or above indicates that there is generally a sound system of internal control in place, no significant control issues have been encountered and no material losses have been identified.

Officers responded to questions from Committee Members particularly in relation to the recent voluntary redundancy process and the effect on the reduced staff numbers and their wellbeing.

Committee Members expressed their thanks to the Head of Internal Audit Shared Services for the report.

**RESOLVED: That the Committee note the contents of the report.**

## **7 Any Other Business**

None.

**Duration of the meeting:** 7.00p.m. to 8.20p.m.

Chairman at the meeting on  
8th December 2021