

**Audit Committee**

Monday 14 November 2022 at 2.00 pm

Civic Suite

## Disclosing Pecuniary Interests - What Must You Do?

(a) You must complete a declaration of your disclosable pecuniary interests, including those of your spouse/civil partner (or someone with whom you are living as such) and send it to the Monitoring Officer within 28 days of your election or appointment to the Council.

(b) When you attend a meeting of the Council, Cabinet, Scrutiny Board, Committee, Sub-Committee or Joint Committee etc, and a matter arises in which you have a disclosable pecuniary interest, unless you have been granted a dispensation, **you must:**

- Declare the interest if you have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

(c) If you are the Leader or a Cabinet Portfolio Holder you may not exercise any of your delegated powers as a single member in relation to a matter in which you have a disclosable pecuniary interest or take any other step except to give written notice of any unregistered interest to the Monitoring Officer within 28 days of your becoming aware of the interest, or arrange for another person or body to deal with the matter.

Disclosable Interest	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain by you or your partner.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within 12 months of your declaration of interests in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.
Contracts	Any contract between you or your partner (or a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest) <b>and</b> the Council (a) under which goods or services are to be provided or works are to be executed; <b>and</b> (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the Council and which gives you or your partner a right to occupy the land or receive income.
Licences	Any licence held by you or your partner (alone or jointly with others) to occupy land in the area of the Council for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge)— (a) the landlord is the Council; <b>and</b> (b) the tenant is a body in which you or your partner has a beneficial interest i.e. a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest.
Securities	Any beneficial interest held by you or your partner in securities of a body where—  (a) that body (to your knowledge) has a place of business or land in the area of the Council; <b>and</b> (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; <b>or</b>  (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you or your partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.  “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

SOLIHULL METROPOLITAN  
BOROUGH COUNCIL

To:  
Councillors Mr T Beirne (Chairman),  
Mr M Burnett, Mr D Page, M Brain, R Long  
(Vice-Chairman) and A Sandison

NICK PAGE  
CHIEF EXECUTIVE

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Date Thursday 3<sup>rd</sup> November 2022

**AUDIT COMMITTEE - Monday 14 November 2022**

**AGENDA**

1. **APOLOGIES**

To receive any apologies or substitutions.

2. **MINUTES** (Pages 7 - 12)

To receive the minutes of the previous meeting.

3. **DECLARATIONS OF INTEREST**

To receive declarations of interest from Members in accordance with the Code of Conduct (Members are directed to the guidance sheet attached).

4. **QUESTIONS AND DEPUTATIONS**

To answer questions, if any, asked by any resident of the Borough pursuant to Standing Orders.

5. **THE AUDIT FINDINGS FOR SMBC** (Pages 13 - 58)

To summarise the key findings and other matters arising from the statutory audit of Solihull Metropolitan Borough Council ('the Council') and the preparation of the group and Council's financial statements for year ended 31 March 2022 for those charged with governance.

6. **POSTPONEMENT OF COMPLETION OF 2021/22 VALUE FOR MONEY (VFM) WORK** (Pages 59 - 60)

To receive from Grant Thornton the Postponement of Completion of 2021/22 Value for Money (VFM) Work notification letter.

7. **FINAL STATEMENT OF ACCOUNTS 2021/22** (Pages 61 - 220)

1.1 To ask Members to review the Council's final Statement of Accounts for 2021/22 (see Appendix A).

1.2 To ask the committee to consider Grant Thornton's Audit Findings report required by the International Standard on Auditing which summarises the audit work performed so far this year, which is included separately on this agenda.

1.3 To ask the committee to review and consider the Management Response to the Improvement Recommendations included in Appendix B.

1.4 To note there are some areas that remain outstanding at the date of the report being published. A verbal update will be provided at the meeting on the progress of these.

1.5 To ask the committee to review the draft Management Letter of Representation which is also included separately on this agenda.

8. **2022/23 QUARTER 2 TREASURY MANAGEMENT MONITORING REPORT** (Pages 221 - 230)

To provide a monitoring report on the 2022/23 Treasury Management activities for quarter 2.

9. **RISK MANAGEMENT INFORMATION REPORT** (Pages 231 - 266)

1.1 As part of the Council's Risk Management Approach, Audit Committee:

- Monitors the effective development and operation of risk management.
- Considers compliance with the Risk Management Policy and Procedure.

1.2 This report and its appendices provide an overview of the corporate risk register as well as informs the Committee of any new or emerging high operational risks that have been recorded on our risk management system.

10. **EXCLUSION OF THE PUBLIC AND PRESS**

That the press and public be now excluded from the remainder of the business to be transacted, on the grounds that there would be disclosure to them of exempt information as defined in Schedule 12A to the Local Government Act 1972.

11. **PRIVATE APPENDIX E FOR ITEM 9 (RISK MANAGEMENT INFORMATION REPORT)** (Pages 267 - 274)

12. **CORPORATE WARNING MARKERS** (Pages 275 - 298)

Internal Audit report on Corporate Warning Markers.

13. **MANAGEMENT RESPONSE TO THE INTERNAL AUDIT OF THE CORPORATE WARNING MARKER POLICY AND SYSTEM** (Pages 299 - 304)

1.1 To provide the Audit Committee with an update on the developments and mitigations in place to respond to the Corporate Warning Marker Register Audit

Report – Level 5: No Assurance.

1.2 Significant progress has been made since the audit commenced as outlined in the report.

14. **FRAUDULENT PAYMENT** (Pages 305 - 318)

The Internal Audit report on the Fraudulent Payment.

15. **MANAGEMENT RESPONSE TO THE INTERNAL AUDIT REPORT ON THE FRAUD** (Pages 319 - 326)

To share with Audit Committee the management response to the Internal Audit report on the Fraud and the resulting recommendations/actions being taken to address any residual risks/issues.

16. **IT AUDIT FINDINGS** (Pages 327 - 334)

To support the financial statement audit of Solihull MBC for year ended 31 March 2022, Grant Thornton has completed a design and implementation review of IT General Controls (ITGC) for Oracle EBS.

17. **UPDATE ON THE GRANT THORNTON ICT AUDIT FINDINGS 2022** (Pages 335 - 340)

To provide an update to Audit Committee regarding actions taken in Oracle Cloud to address the risks identified in the Grant Thornton SMBC IT Audit Report 2022, and the risks which remain in relation to the Oracle e-Business (EBS) suite.