

# Public Document Pack

## AUDIT COMMITTEE - 25 July 2022

### MINUTES

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

Officers: James Hughes, Paul Johnson, Tim Browne, Paul Langham, Peter Carroll, Steve Sparkes, Adam Paterson, Olly Dodds, Julie Cooper, External Auditors (Grant Thornton) and Mark Wills.

#### 1. APOLOGIES

There were no apologies received.

#### 2. MINUTES

Cllr Sandison informed the Committee she had sent her apologies to the last meeting. Mr Bennett reiterated he had asked for the External Auditors comments on the management response to their comments. These were noted by the committee.

#### 3. DECLARATIONS OF INTEREST

None received.

#### 4. QUESTIONS AND DEPUTATIONS

None received.

#### 5. DRAFT STATEMENT OF ACCOUNTS 2021/22

The report was presented as set out in the agenda. Members had received a more detailed briefing prior to the meeting. Members raised questions regarding what sort of assets the long term investment portfolio was made up of, how and when these had been valued, the ethics of the investment portfolio, the PFI contract for schools and the impact of inflation on the accounts.

The Chairman thanked all those Officers involved putting together the accounts so early before the deadline.

#### **RESOLVED:**

- The Committee reviewed the Council's draft Statement of Accounts for 2021/22 and unanimously agreed to refer them on to the Governance Committee without comment.

#### 6. 2022/23 QUARTER 1 TREASURY MANAGEMENT MONITORING REPORT

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The report was presented as set out in the agenda pack. Members asked questions relating to the evidence the Lime Group provided to justify their assessment that interest rates would decrease so quickly and on the deficit in the Dedicated Schools Grant.

### **RESOLVED:**

- The Committee noted the Treasury Management activities for Q1 of 2022/23.

## **7. ANNUAL REPORT ON INTERNAL AUDIT**

The report was presented as set out in the Agenda Pack. There were questions regarding:

- The £150 Council Tax Rebate being paid by Local Authorities which related to some people commenting on social media that they did not want to provide their bank details.
- Whether the internal audit plan would be adjusted to account for extreme weather conditions?
- Whether the External Auditors had changed their plans after seeing the internal audit and whether they thought there should be anything in the internal audit plan that isn't?
- Whether the team had enough resource to carry out its function?
- Why schools in the North of the Borough seemed to have a lower level of assurance than schools in the South of the Borough?

### **RESOLVED:**

- The Committee unanimously noted the Head of Audit Services' opinion on internal control.
- The Committee unanimously noted the performance of Internal Audit for the period 2021/22.
- The Committee unanimously endorsed the Internal Audit Charter
- The Committee unanimously endorsed the proposed 2022/23 Internal Audit Plan current.

## **8. VERBAL UPDATE FROM THE EXTERNAL AUDITOR**

The External Auditors joined the congratulations to the team involved in the accounts as this had been done very early. The External Audit was due to conclude at the end of September 2022 which was significantly before the end of November deadline for all Local Authorities.

They informed the committee that the audit work had fallen behind by a few weeks but that they were confident that this time would be recovered.

### **RESOLVED:**

- The Committee unanimously accepted the verbal update from the External Auditors.

## **9. ANNUAL GOVERNANCE STATEMENT 2021/22**

The report was presented as set out in the Agenda Pack with the exception of Item 7.3 (P.232) which the committee were told had two updated figures in

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there under the Dedicated Schools Grant deficit. The Overall deficit is actually £13.213 million and the In Year deficit should read £4.072 million. This made no material difference to the report.

Questions were asked relating to the Dedicated Schools Grant Deficit, Medium Term Financial Plan Risk and whether the External Auditors had seen anything in the Annual Governance Statement that led to them materially changing their audit or risk assessments.

### **RESOLVED:**

- The Committee unanimously endorsed the Annual Governance Statement for 2021/22 prior to it being approved by the Governance Committee.

## **10. KEY UPDATES REQUESTED AT THE 20 JUNE MEETING**

The Committee heard each section of the report in sequential order. On the Serious Case Review questions were asked regarding capacity for referrals, whether the MASH can be stress tested, whether the improvement board published any reports, the public's confidence in the changes being made to Childrens Services, how SMBC compared to other authorities and how with all the reviews happening at once with multiple stakeholders how SMBC are ensuring the change needed is actually delivered.

On Liquid Logic there were questions asked on whether the data migration to the system was deemed to be satisfactory and the methodology that had been used to determine that.

On the purchase of Mell Square there were questions on how many staff were employed by the company and on the contract process for the redevelopment.

Finally on the Medium-Term Financial Plan the committee were informed that the Council will shortly begin its budget setting process in which the Council would present a balanced budget as required by law.

### **RESOLVED:**

- The Committee unanimously considered the information provided in the report and determined that no further information or updates on the issues in the report were needed.

## **11. EXCLUSION OF THE PUBLIC AND PRESS**

It was agreed to defer item 12 until the next meeting and the committee treated Item 13 on the agenda as information only therefore there was no need to exclude the public or press.

## **12. SOLIHULL MUSIC SERVICE**

## **13. CHILDRENS PLACEMENTS FINANCE FOLLOW UP**

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3.27 pm