

AUDIT COMMITTEE - 14 November 2022

MINUTES

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

Officers:

- James Hughes – Democratic Services Officer
- Paul Johnson – Director of Resources & Deputy Chief Executive
- Pete Campbell – Director of Children’s Services (Virtual)
- Jenny Wood – Director of Adult Social Care
- Lizzie Edwards - Assistant Director for Adult Social Care
- Amanda McGivern - Head of ICT and Information Governance
- Julie Cooper - Head of Financial Operations
- Adam Paterson – Finance Manager
- John Robinson - Treasury and Corporate Accountant
- Mark Wills - Health, Safety and Risk Team Manager
- Olly Dodds – Audit Manager
- Colin Hudson – Audit Manager
- Grant Paterson (Grant Thornton) – External Auditor
- Neil Preece (Grant Thornton) – External Auditor

1. APOLOGIES

There were no apologies.

2. MINUTES

The public minutes of the meeting held on Monday 26th September were agreed as an accurate record with a change on page 7 (Agenda Pack) from Julie Coper to Julie Cooper and a change on page 12 (Agenda Pack) on the last response to a question from Cllr Sandison to include “...we have got better at identifying risks.”

3. PRIVATE MINUTES

The private minutes of the meeting held on Monday 26th September were agreed as an accurate record.

4. DECLARATIONS OF INTEREST

There were no declarations received.

5. QUESTIONS AND DEPUTATIONS

There were no questions or deputations received.

6. THE AUDIT FINDINGS FOR SMBC

Grant Paterson and Neil Preece, of Grant Thornton, presented their Audit findings. They drew focus to the positive outcome, with recommendations mainly focussing on more efficient ways of doing things rather than on issues they had found. These were

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the unqualified audit findings and the full work would be brought before the committee in January.

Questions from Members focussed on value for money work, valuation of land, use of reserves for the MTFP, securing economic efficiencies, assumptions of outcomes in the appointment of a Commissioner in Childrens Services and capital projects in light of the economic outlook.

RESOLVED:

The Audit Committee noted the Audit Findings for SMBC.

7. POSTPONEMENT OF COMPLETION OF 2021/22 VALUE FOR MONEY (VFM) WORK

RESOLVED:

The Audit Committee received and noted the letter from Grant Thornton regarding the Postponement of Completion of 2021/22 Value for Money (VFM) Work notification.

8. FINAL STATEMENT OF ACCOUNTS 2021/22

The Finance Manager presented the report. He highlighted that these are not the final copies in line with the delay of the External Audit findings and again reiterated any changes had been small. Questions focussed on what investments the Council had, the risk of these in light of the economic outlook, technical terminology queries and contingency plans for academies being handed back to the Local Authority.

RESOLVED:

- a) The Audit Committee noted the Council's final 2021/22 Statement of Accounts (see Appendix A).
- b) The Audit Committee noted the Audit Findings Report presented by Grant Thornton and their comments under the Value for Money section, reported elsewhere on the agenda. Feedback will be shared with Governance Committee as part of their role in approving the Final Statement of Accounts.
- c) The Audit Committee noted and commented on the Management Response to the Improvement Recommendations included in Appendix B.
- d) The Audit Committee endorsed that delegated approval be sought from Governance Committee for the Director of Resources and Deputy Chief Executive to sign the final 2021/22 Statement of Accounts after Governance Committee owing to the issue reported in paragraph 3.2.
- e) The Audit Committee reviewed the draft Management Letter of Representation, at Appendix C with any feedback shared with Governance Committee as part of their role in approving the Final Statement of Accounts.

9. 2022/23 QUARTER 2 TREASURY MANAGEMENT MONITORING REPORT

The Treasury and Corporate Accountant introduced the report. The Committee had received the '2022/23 Mid-Year Treasury Management Strategy Review' at the last report so there had not been much change. Interest rates are now expected to peak at a lower rate than before and then begin to fall again over the next several years.

RESOLVED:

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The Audit Committee noted the Treasury Management activities for quarter 2 of 2022/23.

10. RISK MANAGEMENT INFORMATION REPORT

The Health, Safety and Risk Team Manager presented the report and highlighted changes that had been made to how the information was presented after feedback from the Committee at the last meeting. The Director of Resources, Director of Adult Social Care and Director of Childrens Services were all available to answer questions on the narrative reports in Appendix D.

RESOLVED:

The Audit Committee noted the information provided in this report and determined at this time there was no further action needed in respect of the identified corporate risks.

11. EXCLUSION OF THE PUBLIC AND PRESS

The Chairman moved the resolution to exclude the public and press.

RESOLVED:

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.

12. PRIVATE APPENDIX E FOR ITEM 9 (RISK MANAGEMENT INFORMATION REPORT)

13. CORPORATE WARNING MARKERS

14. MANAGEMENT RESPONSE TO THE INTERNAL AUDIT OF THE CORPORATE WARNING MARKER POLICY AND SYSTEM

15. FRAUDULENT PAYMENT

16. MANAGEMENT RESPONSE TO THE INTERNAL AUDIT REPORT ON THE FRAUD

17. IT AUDIT FINDINGS

18. UPDATE ON THE GRANT THORNTON ICT AUDIT FINDINGS 2022

Meeting Concluded at 3.56 pm