

# AUDIT COMMITTEE - 2 November 2020

## MINUTES

Present: Councillors: Mr T Beirne (Chairman), Mbajah, Mr D Page, A Adeyemo, M Gough (Vice-Chairman) and M McLoughlin

Officers: David Acton – Democratic Services  
Julie Cooper – Head of Financial Operations  
Olly Dodds – Audit Manager  
John Gregory – External Auditor  
Paul Johnson – Director of Resources and Deputy Chief Executive  
John Robinson – Treasury and Corporate Accountant  
Steve Sparkes – Head of Audit

### 1. APOLOGIES

There were no apologies from Members.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest from Members.

### 3. QUESTIONS AND DEPUTATIONS

No questions or deputations were submitted.

### 4. MINUTES

The minutes of the meeting held on 7<sup>th</sup> September 2020 were confirmed as a true record.

### 5. VERBAL UPDATE FROM THE EXTERNAL AUDITOR

The External Auditor advised that:-

- 1) All loose ends in relation to the Audit Findings report had been tidied up bar confirmation of the WMP Fund;
- 2) Audited accounts and valuation work of the Airport Company had been undertaken; and
- 3) Work was slightly behind on Housing Benefit Claims but it was anticipated it would be completed in line with the deadline.

### RESOLVED

The Committee noted the comments of the External Auditor.

### 6. LOCAL GOVERNMENT AUDIT AND FINANCIAL REPORTING - THE REDMOND REVIEW

The External Auditor explained that the purpose of the review had been to assess the effectiveness of audit in local authorities, and transparency of financial reporting. The detailed findings highlighted:-

- 1) Systems leadership is lacking;
- 2) Procurement has resulted in fees which are too low;
- 3) The audit timescale is unrealistic and unhelpful;
- 4) Financial reporting is overly complex/not always relevant;
- 5) Governance and transparency of reporting needs improvement; and
- 6) There is too much focus on property and pension valuations.

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The review recommendations were:-

- 1) A new regulator – Office of Local Audit and Regulation to replace the FRC and PSAA;
- 2) Scope to increase fees – to ensure that adequate resources are deployed to meet the full extent of local audit requirements;
- 3) Publishing audited accounts – extend the deadline to 30 September from 31 July;
- 4) Accounts simplification – CIPFA/LASAAC to review the statutory accounts to determine if there is scope to simplify the presentation of LA accounts;
- 5) Recognition of the role of authorities in improving governance and reporting; and
- 6) Development of audited and reconciled accounts summaries.

### RESOLVED

The Committee noted the review recommendations.

#### 7. 2020/21 QUARTER 2 TREASURY MANAGEMENT MONITORING REPORT

The Treasury and Corporate Accountant updated the Committee on the 2020/21 Treasury Management activities for Quarter 2 including debt activity; an economic forecast for money market investment and long-term borrowing given the impact of the coronavirus outbreak; investment strategy to safeguard the repayment of the principal and interest of its investments on time; and treasury and prudential affordable borrowing limits.

### RESOLVED

The Committee noted the Treasury Management activities for Quarter 2 of 2020/21.

#### 8. MONITORING REPORT INTERNAL AUDIT

The Committee were advised of work undertaken by Audit Services including detail of the support given to the Council as it responded to the Coronavirus pandemic.

### RESOLVED

The Committee noted the work undertaken by Audit Services as at November 2020.

#### 9. RISK MANAGEMENT INFORMATION REPORT

The Committee were informed that the Council has an agreed Risk Management Policy for which the Corporate Leadership Team is accountable for the effective management of risks and monitors arrangements through quarterly reports. The report detailed Risk Management Measures of Likelihood and Impact; Summary of Corporate Risks including those arising from Covid-19 and how being managed; and Summary of Directorate Risks.

### RESOLVED

The Committee noted the Risk Management report.

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

The Chairman did move 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.