

AUDIT COMMITTEE - 14 March 2022

MINUTES

- Present: Independent Members: Mr T Beirne (Chairman), and Mr M Burnett, and Councillors K Allsopp and M Brain (substitute).
- Virtually: Independent Member Mr D Page and Councillor J Tildesley.
- Officers: David Acton – Democratic Services
Tim Browne – Interim Director of Childrens Services and Skills
Julie Cooper – Head of Accountancy
Zoe Covington – Audit Manager
Olly Dodds – Audit Manager
Paul Johnson – Director of Resources and Deputy Chief Executive
Adam Patterson - Accountancy
Neil Preece – External Auditor
Joanne Robinson – Head of Income and Awards
Steve Sparkes – head of Audit
Mark Wills – Health, Safety and Risk Manager

1. APOLOGIES

Councillor Max McLoughlin tendered his apologies and Councillor Marcus Brain substituted.

2. DECLARATIONS OF INTEREST

There were no declarations of interest from Members.

3. QUESTIONS AND DEPUTATIONS

No questions or deputations received.

4. MINUTES

The minutes of the meeting held on 14 February 2022, were approved as a true record.

5. VERBAL UPDATE FROM THE EXTERNAL AUDITOR

The External Auditor, Neil Preece, reported that:-

- Planning work for the financial audit would begin in a couple of weeks;
- To agree a priority of work for the summer; and
- The Audit Plan would be brought to the June meeting.

6. HOUSING BENEFIT SUBSIDY CLAIM 2020/21

The Council's Head of Income and Awards advised members that Grant Thornton had certified the housing benefit subsidy claim submitted by the Council for the financial year 2020/21 relating to subsidy claimed on £37.1m.

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Housing benefit entitlement is a means tested calculation based on national legislation and guidance which is applied to each claim.

Due to the high number of changes processed, in excess of 20,000, it was not feasible to check each change. A sample check of 201 cases identified 10 errors which were categorised as:-

- Miscalculating claimants' weekly income from earnings leading to incorrect benefit paid;
- Incorrect entry of a rent figure; and
- Incorrect application of a social sector size criteria reduction.

The results of the errors identified meant that the 2020/21 subsidy claim was amended by £34.

Processes had now been implemented to ensure that any quality checks that identify an error are closely monitored until corrected.

RESOLVED

The Committee noted the issues highlighted and the subsequent actions taken.

7. RISK MANAGEMENT INFORMATION REPORT

The Committee were informed by the Health, Safety and Risk Manager that, as part of the Council's Risk Management Approach, Audit Committee monitors the effective development and operation of risk management, and considers compliance with the Risk Management Policy and Procedure through quarterly reports.

The report detailed Risk Management Measures of Likelihood and Impact; Summary of Corporate Risks and how being managed; and Summary of Directorate Risks.

RESOLVED

The Committee considered the information provided in the report and determined no further action was needed in respect of the identified corporate risks.

8. FINANCIAL REGULATIONS UPDATE – MARCH 2022

The Committee were asked to consider the Council's annually revised Financial Regulations, the framework for the authority's financial affairs, which took into account organisational and operational changes as well as those made to processes and procedures to ensure the maintaining of good financial practice.

RESOLVED

The Committee reviewed and agreed the revised Financial Regulations and other associated guidance documents, as set out within Appendices A-B of the report, for onward approval by Governance Committee on 24th March 2022 and finally Full Council, to be enforced from April 2022.

9. CIPFA FINANCIAL MANAGEMENT CODE – 2022 UPDATE

The Committee were advised of the Council's progress towards compliance with the CIPFA Financial Management Code and the action plan for achieving desired compliance levels as at March 2022.

RESOLVED

The Committee:-

1. Reviewed and agreed the latest position with regards to the CIPFA FM Code and considered the actions that had been taken to deliver full compliance; and

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2. Agreed that no further updates are required for Audit Committee.

10. REVIEW OF ACCOUNTING POLICIES 2021/22

The Council's Finance Manager advised that the Council's Accounting Policies are reported to Audit Committee as part of the overall Statement of Accounts. The report outlined the key policies for 2021/22, any accounting standards issued but not yet adopted and the key accounting estimates followed. Additionally, during the 2020/21 audit, Grant Thornton requested minor enhancements to the following Accounting Policies:-

- Cash and Cash Equivalents;
- Employee Benefits;
- Fair Value Measurement;
- Interests in Companies and Other Entities; and
- Property, Plant and Equipment.

These areas were incorporated into the final audited Statement of Accounts and reported to committee in September 2021.

RESOLVED

The Committee agreed the Accounting Policies and Standards, accounting estimates and significant judgements due to be applied for the financial year 2021/22.

11. EXCLUSION OF THE PRESS AND PUBLIC

The Chairman did declare 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.