

Minutes

AUDIT COMMITTEE

29 September 2022

Meeting held at Committee Room 5 - Civic Centre



	<p>Committee Members Present: John Chesshire (Chairman) Councillors Richard Lewis (Vice-Chairman), Tony Burles, Reeta Chamdal and Nick Denys</p> <p>Officers Present: Andy Evans – Corporate Director of Finance, James Lake - Head of Pensions, Treasury, Investments & Statutory Accounts, Stephanie Rao - Internal Audit Manager, Alex Brown - Head of Counter Fraud and Anisha Teji - Democratic Services Officer</p> <p>Also Present: Helen Thompson, Ernst & Young and Larisa Midoni, Ernst & Young</p>
15.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>Apologies for absence were received from Councillor Naser Mohammed Issa Abby.</p>
16.	<p>DECLARATIONS OF INTEREST (<i>Agenda Item 2</i>)</p> <p>None.</p>
17.	<p>TO CONFIRM THAT ALL ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THAT ANY ITEMS MARKED PART II WILL BE CONSIDERED IN PRIVATE (<i>Agenda Item 3</i>)</p> <p>It was confirmed that all items would be heard in Part I.</p>
18.	<p>MINUTES OF THE PREVIOUS MEETING (<i>Agenda Item 4</i>)</p> <p>RESOLVED: That the minutes of the meeting held on 27 July 2022 be approved as a correct record subject to amending a typo in the list of attendees.</p>
19.	<p>UPDATE ON THE EXTERNAL AUDIT OF 2021/22 STATEMENT OF ACCOUNTS AND UPDATE OF THE EXTERNAL AUDIT ON THE PENSION FUND 2021/22 ACCOUNTS (<i>Agenda Item 5</i>)</p> <p>Councillor Richard Lewis joined the meeting during this item.</p> <p>The Committee considered the progress of 2021/22 annual external audit against the audit plans set out by the Council's external auditors EY.</p> <p>At the July meeting a target of 29 September 2022 was proposed to complete the audit of the accounts. This deadline was two months ahead of the statutory deadline of 30 November 2022, and although the audit had progressed well it had not been possible</p>

to meet the early target date. It was reported that the national issue relating to infrastructure derecognition was still unresolved and there could be an amendment to the accountant standards by Chartered Institute of Public Finance & Accountancy or statutory override by the Department for Levelling Up, Housing & Communities.

In response to Member questions regarding securing value for money for Council resources, it was explained that initial risk assessments were undertaken to identify any risks or weaknesses in the arrangements that were already in place. Commentary was then issued on the arrangements and included in the Auditor's annual report. Under previous codes, value for money conclusions were provided however this did not include details behind that decision. Decisions now included more detailed commentary on the arrangements.

EY were aiming to complete the audit for 30 November 22 however this was dependant on the outcome of the national infrastructure matter. The Committee was assured that both EY and officers were working closely together and there were good communications between the teams.

It was reported that although there were no direct cost implications for missing the deadlines, there were cost of time implications. In terms of valuations and resourcing, the Committee was advised that EY felt less comfortable compared to last year due to challenges caused by staff turnover. However, plans were being put in place to mitigate this.

RESOLVED: That the Committee noted the report.

20. **2021/22 ANNUAL RISK MANAGEMENT REPORT** (*Agenda Item 6*)

The Committee received the Annual Risk Management Report 2021/22. The report provided evidence about the movement of individual corporate risks across the year, how they had been managed by the Council and horizon scanning for the future.

Section 4: Embedding Effective Risk Management in 2021/22 was highlighted to the Committee which detailed how effective risk management was embedded into different service areas including Service and Financial planning, Dedicated Schools Grant and Insurance. Members also heard about the work undertaken to mitigate these risks.

During Member discussions, it was noted that Risk Champions were part of the statutory risk management work. Risk Champions had an overview of risks in their directorates and managed challenges and queries. When a significant risk was identified, actions were put in place to mitigate that risk using the risk methodology. It was noted that some organisations had moved from risk management to incorporating scenario planning.

The Committee considered that there had been good progress in some of the areas of effective risk management including the Dedicated Schools Grant.

Members thanked officers for the informative and well-structured report.

RESOLVED: That the Committee reviewed the 2021/22 report as part of its role to independently assure the Council's corporate risk management arrangements.

21.	<p>2022/23 QUARTER 1 CORPORATE RISK REGISTER (<i>Agenda Item 7</i>)</p> <p>The Corporate Risk Register (CRR) for Quarter 1 (April – June 2022) report was presented to Members. The report provided evidence about how identified corporate risks had been managed and the actions which were being taken to mitigate those risks. The report summarised the corporate risks and key movements.</p> <p>It was noted that the Committee’s previous comments relating to flu pandemics and winter pressures had been considered and work was underway in the social work area to scope and address this potential risk. A refreshed update would be provided to Members as part of Quarter 2.</p> <p>Members were pleased to see the matter of inflation included in the report. In response to Member questions regarding the Dedicated Schools Grant, it was explained that the risk was listed correctly on the Corporate Risk Register. There was an ongoing quarterly monitoring process that linked directly to the Department for Education, and this enabled any challenges and issues to be identified. Most of the key conditions of the safety valve were on target and progressing well.</p> <p>RESOLVED: That the Committee reviewed the Corporate Risk Register for Quarter 1 (1 April – 30 June 2022) as part of the Committee’s role to independently assure the Council’s corporate risk management arrangements.</p>
22.	<p>WORK PROGRAMME (<i>Agenda Item 8</i>)</p> <p>Consideration was given to the forward work programme for the Committee. It was noted that Auditor’s Annual Report would most likely be presented to the Committee in January 2023.</p> <p>RESOLVED: That the Audit Committee noted the Forward Work Programme for 2022/23 and updates.</p>
	<p>The meeting, which commenced at 5.10 pm, closed at 6.07 pm.</p>

These are the minutes of the above meeting. For more information on any of the resolutions please contact Anisha Teji on 01895 277655 or ateji@hillington.gov.uk. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

The public part of this meeting was filmed live on the Council's YouTube Channel to increase transparency in decision-making, however these minutes remain the official and definitive record of proceedings.