

**MINUTES OF THE
AUDIT AND RISK COMMITTEE
held on 15 March 2023 at 7pm**

Present:

Councillor N.M. Walsh (Chair)

Councillors, D.J.R. Clark, N.A. Dudley, J.M.C. Raven, M. Sismey, and A.B. Sosin

Also present: Councillor C. Davidson

1. Attendance and Apologies for Absence

Apologies for absence were received from Councillor Daden and Councillor Sampson

2. Minutes

The minutes of the meeting on 14 December 2022 were confirmed as a correct record.

3. Declarations of Interests

All Members were reminded to disclose any interests in items of business on the meeting's agenda and that they should do so at this point on the agenda or as soon as they became aware of the interest. They were also obliged to notify the Monitoring Officer of the interest within 28 days of the meeting, if they had not been previously notified. None were made.

4. Public Questions

There were no questions or statements from members of the public.

5. Announcements

The Chair thanked the Committee and officers for their contribution and hard work over the last year.

6. External Audit Update (Verbal)

The Committee received a verbal update from the Section 151 Officer on the progress made by the external auditors. It was noted that the external auditors had signed off the 2020/21 accounts. The delays in signing off the accounts was, as previously reported, due to lack of external audit resource. The Audit completion report had yet to be finalised but would be circulated to committee members shortly. The Committee was informed that an update and presentation from the external auditors was set to happen at the June Audit and Risk Committee meeting. The inspector had received the timetable and this would be reported back to the Committee.

RESOLVED that

- the verbal update be noted, and
- the Committee thanked the officers for their work.

(7.03pm to 7.06pm)

7. Internal Audit Plan 2023 and Charter

The Committee received a report detailing the Internal Audit Plan and the Internal Audit Charter 2023.

The Committee was informed that the Internal Audit Plan 2023 was being presented ahead of its start in April 2023. As with previous years, the Committee was informed that the Internal Audit Plan that was developed was based on a prioritisation of the audit universe using a risk-based methodology and focusing on the key risk areas and considering the available resources. The plan highlighted the role of independent assessment against those risks and any other local or national risks that emerge. The plan had been shared with the senior management team for opportunity to suggest any work.

The Committee was also informed of the slight change in the approach. It was informed that before, a twelve-month approach was planned however this created limitations as various risks sometimes emerge throughout the year which could cause changes to the original plan. A six-month approach has instead been suggested which will create flexibility and capacity to respond to higher risks that could emerge in that period. There remains capacity for follow ups and revisiting previous work. The Committee was informed that the indicative scopes were deliberately broad to allow flexibility and be able to focus and develop the scope at the time of the review.

The Committee was then updated on the Internal Audit Charter 2023 which was the governance framework for Internal Audit. It set out the standards and statutory requirements. It was also noted that there were no material changes from the last year.

In response to the query regarding communication, it was noted that the Charter would be amended to additionally reflect the annual report which is sent from Audit & Risk Committee to Full Council.

RESOLVED that;

- the Internal Audit Plan for 2023 and Internal Audit Charter be noted, and
- the Committee thanked the officers for the robust report.

(7.06pm to 7.14pm)

8. Counter Fraud Strategy Action Plan Update

The Committee received a report detailing the update in relation to the Counter Fraud Strategy Action Plan to March 2023. Actions that were to be undertaken were:

- Updating the Council's Fraud Risk Register
- Producing a revised Fraud Response Plan
- Reviewing the Whistleblowing Policy
- Developing and refreshing training and awareness activities for employees
- Developing National Fraud Initiative (NFI) operations protocol.

With regards to updating the Council's Fraud Risk Register, it was noted by the Committee that the overall Principal Risk of fraud was broken down to 20 different risk areas that were susceptible to fraud based on consideration of CIPFA's annual Counter Fraud and Corruption Tracker adapted for the Council. Risks identified had been assessed to calculate a more accurate rating. The adequacy of controls in place would be reviewed, supported by independent assurance from internal audit, and highlight where further mitigation would be required. There is also an anti-bribery and corruption risk assessment in the process of being developed. It was noted that the risk register was a live document and that it would be kept updated.

Regarding anti-fraud training, the Committee was informed that this training would be rolled out to all Council members and officers including temporary and agency workers. Following the Bribery and Corruption risk assessment, the training would be more targeted. This would take a bit of time, however members were assured that this would be a worthwhile exercise and it is anticipated would have started to be rolled out by June.

RESOLVED that the Counter Fraud Strategy Action Plan Update be noted.

(7.14pm to 7.22pm)

9. Accounting policies for the 2022/23 Statement of accounts

The Committee received the updated accounting policies for the 2022/23 statements of accounts which represent specific principles that will be applied in the annual statements of accounts. The Committee was informed that the accounting policies were aligned to the CIPFA Code of Practice that is updated annually with new legislation and international standards. The Committee was informed that there were no significant changes to the 2022/23 Code and the expected implementation of a new financial standard on leasing (IFRS 16) was postponed until the 20224/25 accounts. This was in recognition of the additional workload as consequence of the external audit

delays. There had been some minor changes to the wording to give more clarity. The accounting policies highlighted critical judgements and the different treatments to grants from the government.

Regarding the proposed audit deadlines, which had not been formally confirmed; the Committee noted that the auditor deadlines had been reverted back to 30th September for 2022/23 accounts from 30th November for the 2021/22 accounts. The local authority publication deadline was also reverted to 31st May for 2022/23 accounts from 31st July for the 2021/22 accounts. The Council would aim to produce the accounts by 31st May however there would be difficulty for many authorities to meet this. This was due to strain on resources caused by audit delays and other challenges in the current economic climate.

RESOLVED that;

- the Accounting policies for the 2022/23 Statements of accounts be noted, and
- the Committee thanked officers on bringing the policies together.

(7.22pm to 7.26pm)

10. Audit and Risk Committee Work Programme

The Committee was updated of the rolling work programme setting out the future reports and work. They were informed that there were no changes made to the work programme.

RESOLVED that the work programme be noted.

(7.26pm to 7.27pm)

Exclusion of the Public

Resolved that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for Item 11 on the grounds that they involved the likely disclosure of exempt information falling within paragraph 7 of Part 1 of Schedule 12A to the Act.

11. Counter Fraud Investigations Update

The Committee received a detailed update regarding the two fraud investigations that were highlighted in the last meeting.

RESOLVED that the update be noted.

(7.27pm to 7.44pm)

12. Urgent Business

There was no urgent business for the meeting.

The meeting closed at 7.45pm.

Chair