

# MINUTES OF THE AUDIT PANEL MEETING

Present: Councillor Rathbone, Councillor Maslin, Councillor Millbank, Councillor Hall, Councillor Davis, Ian Pleace, Carol Murray and Stephen Warren (Independent Members)

Apologies: Councillor Wise

## 1. Minutes

The reference to “valuations for property funds and recruitment” be amended to remove “recruitment”

Reference to “no material impact on the Council’s plans in the next 12 months” to be made clear that this was in reference to growing concern.

The first sentence of the third paragraph should be a separate paragraph.

## 2. Declarations of Interest

Stephen Warren declared interest in Item 3. He stated he was engaged in PSAA to undertake work advising on the potential impact on the changes in auditing and accounting.

Councillor John Paschoud declared an interest in Item 3 chartered member of the British Computer Society.

## 3. External Audit

Grant Thornton gave the following update:

The progress report set out that auditors have completed the opinion work and the value for money work in the previous audit. Since the last meeting the housing benefit claim work had also been completed as well as the teacher’s pension’s work. Outstanding is the housing capital receipts work.as there was an issue with the department which the Council is working through and the whole of governments accounts return as there is an issue with the national treasury’s system.

Meetings have been held with the Chief Executive and Finance Director to set out the work to be done, which will be discussed at the next meeting. The plan is similar to previous years but two main changes are the Code of Audit practice which has widened the scope of the value for money work and the increase in narrative reporting for auditors to the Council on this; and the new

auditing standard ISA 540 which relates to management estimations of the accounts. There are increased requirements on managers in terms of disclosure over the judgements and estimations they might make.

The annual audit letter summarised the work done for the 2019/20 account.

The following was discussed regarding the action plan in the report:

Councillor Paschoud raised concern about the action points where officers were to view security protocols and in particular, providing them access rights to various functions like the Oracle financial systems. As it is a complex field, he raised the point of whether there was sufficient staff in-house with specific and relevant qualifications to adequately fulfil such tasks. Murray James, Director of IT, assured that there are sufficient staff working alongside professional partners to carry out the duties.

Regarding proposed cuts to come, Councillor Davis asked if there is any risk identified or will be assessed by auditors. The Head of Corporate Resources responded that the project manager officer arrangement will supplement the work that Finance would have done in order to keep track, recognising the scale and complexity of the work being done. This role sits within the Chief Executive Directorate. Ongoing meetings have been held between the Chief Executive and the directorates in question, where significant cuts will be made. Resources and teams as well as the Chief Directorate are involved in the assessment of this process. IT also manage the access changes from leavers through annual housekeeping.

**Action:** the Action Plan will continue as a standing item and will be tidied to clarify action points and dates in order to accurately track progress.

The Panel noted the report and the Audit letter.

#### **4. Internal Audit**

The Head of Corporate Resources presented this report. This report provided a progress update on delivery of the internal audit plan for 2020/21 as well as planning for 2021/22 audit work. The following was discussed:

Internal Audit has tracked implementation of 256 corporate and 38 school actions that have reached their agreed target dates. As at 31 January 2021, 74% of the corporate actions have been self-assessed as implemented or no longer applicable, with a further 12% in progress. 63% of High-rated actions assigned to schools have been assessed as completed.

There are 10 High recommendations outstanding listed in the report. Of those, 5 are over a year old which is of concern- these have been targeted to ensure they close out.

Planning work has begun at this stage. The risk register has been assessed and audits for next year are being considered, including contract management and other big spend areas.

The core financial audits were set out in the report.

It is anticipated that the recommendations set out in table 5 will be implemented by March. The recommendations on table 6 yet to be implemented are in progress. The issuing of invoices however, goes live at the end of March.

The recommendations in table 7 have been implemented- the “assessments and placements- policies and procedures” is progressing well.

It was mentioned that further understanding and detail of deferred items would be helpful for the Panel to properly assess the progress of recommendations.

The report was noted.

## **5. Exclusion of Press and Public**

The Item 6 was excluded from the Press and Public as it included Part 2 Security Report.

## **6. Corporate Risk Register**

The Head of Corporate Resources presented this report which included the Strategic Risk Register.

There was one new risk from the register previously considered by the Audit Panel and none for deletion in the Strategic Register, outlined in the reports. There were no score changes in terms of likelihood and impact, but dates of implementation have been updated. All actions in the Strategic Register are either completed or progressing satisfactorily in accordance with expected timescales, with the exception of those listed below where the dates have slipped or been extended largely due to the diversion of resources as a result of COVID-19.

The rest of the discussion took place under Part 2 and was restricted.

The report was noted.

The meeting finished at 8.35pm

