

## **Audit and Standards Committee**

The committee met on 8<sup>th</sup> February and again on 19<sup>th</sup> April 2021.

### **Meeting of 8<sup>th</sup> February 2021**

During the course of the meeting, the business dealt with was as follows:

Andrew Smith of Grant Thornton presented the Annual Audit Letter for the year ended 31<sup>st</sup> March 2020, which summarised the key findings of the Audit for that year and confirmed that an unqualified opinion had been given in relation to the Council's Financial Statements.

Andrew detailed the reasons for the increase in the Audit fee, much of which had previously been disclosed to the committee. It is hoped that the amounts relating to Covid-19 may be reclaimed as part of the Government's financial support package. The increases will be reported to the PSAA, in order to ensure the Value for Money aspect of the charges, and payment made in accordance with PSAA advice.

Members now reviewed the Internal Audit Update for Quarter 3, showing that 90% of the Audit recommendations had been carried compared to the target of 96%. This was felt to be a fair result under the circumstances and the Audit team are looking at the latest CIPFA advice for local authorities to ensure that the use of resources is in accordance with most recent guidelines.

Sarah Wilkes, Head of Finance introduced the Quarter 3 Risk Management Report. There had been little change from Q2, but the number of overdue risk reviews now stood at 2. In accordance with a discussion at an earlier meeting, Members were invited to suggest to nominate three areas of risk for more detailed scrutiny at the next meeting and these were agreed to be Air Quality, Financial Risk and Workforce.

During discussion of the Committee Workplan it was agreed that a detailed report on the impact of Covid-19 be provided for the next meeting. Also that Standards Training be provided as soon as circumstances allow.

### **Meeting of 19<sup>th</sup> April 2021**

The business dealt with was as follows:

Andrew Smith of Grant Thornton presented the Audit Plan highlighting the key areas of work, these being significant risks, materiality and value for money arrangements. He explained that there had been a change of scope whereby auditors are now required to undertake additional work to assess and understand the council's internal controls over accounting estimates. This would in future be reported to the committee for evaluation with the accounts.

Furthermore, it was reported that Grant Thornton had completed its planning work in relation to the audit of the financial accounts which is due to be presented to the committee at its September meeting.

The Corporate Risk Policy Statement and Risk Management Strategy 2021/22 were reviewed and details received of how these had changed since the previous year and how risks are rated in terms of impact and likelihood. Risks are scored either high, medium or low for each category and accompanied by an action plan to manage the risk.

Members were presented with a follow-up report detailing three areas of risk picked by members at the previous meeting. In each case, the risk management process was outlined and details of how individual risks are identified and subsequently managed, were given, in order to further members' understanding.

The Head of Finance now presented the policies supporting the Council's Counter Fraud arrangements which comprise:

Anti-Fraud and Anti-Corruption Framework

Fraud Response Plan

Whistleblowing Policy

Anti-Money Laundering Policy

These had been updated to reflect staffing changes and it was noted that all staff are required to undertake a short e-learning course, which will now be made available to committee members.

Clare Potts, Chief Internal Auditor, presented the proposed Internal Audit Plan 2021/22, which is based on perceived risks and the Council's objectives. Some areas of the plan would continue work already started in the previous year and significant emphasis would be given to areas affected by the pandemic and also local issues. Members approved The Internal Audit Charter and the Internal Audit Plan for 2021/22, in accordance with the committee's terms of reference and agreed to receive quarterly updates on the progress of the plan.

It was agreed that the meeting scheduled for 28<sup>th</sup> June be cancelled and the one item of business be added to the agenda for the meeting due to be held on 26<sup>th</sup> July.

Paul Waring

Chair of Audit and Standards Committee.