

AUDIT COMMITTEE

Meeting: 14 July 2021

At: 6.00 pm

PRESENT

Councillor Stuart Corris (Chair) in the chair; Councillor Mike Hurleston (Vice-Chair); Councillors Paul Ankers, Philip Harding, Keith Holloway and John Taylor.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 17 March 2021 were approved as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

Councillors and officers were invited to declare any interests they had in any of the items on the agenda for the meeting.

The following interest was declared:-

<u>Councillor</u>	<u>Interest</u>
Mike Hurleston	Agenda item 6 'Internal Audit Progress Report 4 (1 February 2021 to 30 June 2021)' as a member of the Board of the Stockport Town Centre West Mayoral Development Corporation.

It was noted that the Standards Committee had approved a dispensation to enable Councillor Hurleston as a member of the Board of the Stockport Town Centre West Mayoral Development Corporation and who would otherwise have a personal and prejudicial interest in the matter being discussed to take part in the debate and vote at the meeting.

3. URGENT DECISIONS

No urgent decisions were reported.

4. PUBLIC QUESTION TIME

Members of the public were invited to put questions to the Chair on any matters within the powers and duties of the Area Committee, subject to the exclusions set out in the Code of Practice.

No public questions were submitted.

5. DRAFT ANNUAL GOVERNANCE STATEMENT 2021/21

A representative of the Corporate Director (Corporate and Support Services) and Deputy Chief Executive submitted a report (copies of which had been circulated) which provided details of the draft version of the Council's Annual Governance (AGS) for 2020/21.

The following comments were made/issues raised:

- The Chair of Audit Committee expressed his thanks to all Audit staff who have worked so hard recently under very difficult circumstances.
- Members asked what lessons had been learnt over the past year and whether any changes in practice were likely to mitigate future risks. In response, Members were advised that the Council had faced a number of extremely challenging circumstances to which it had adapted really well and that new ways of working were constantly being reviewed. The agility of the Council to respond to change has been tested and Officers were confident that robust systems were in place. The financial risk to the Council had been managed well both before and during the pandemic and it was hoped that this would continue. Members noted that the Council had received very significant resources from central government.

RESOLVED (i) That the report be noted.

(ii) Audit Committee approved the Annual Governance Statement prior to signing by the Leader of the Council and the Chief Executive.

6. INTERNAL AUDIT PROGRESS STATEMENT 1 (1ST FEBRUARY 2021 TO 30TH JUNE 2021)

A representative of the Corporate Director (Corporate and Support Services) and Deputy Chief Executive submitted a report (copies of which had been circulated) setting out the progress made in the period 1 February 2021 to 30 June 2021 against the revised Risk Based Internal Audit and Covid Assurance Plans originally approved by Audit Committee in March 2021.

The following comments were made/issues raised:-

- Members noted the challenges that had been faced by the Audit team in carrying out their work and also the way in which reports were now being presented.
- A short discussion took place relating to the dog warden service which had not been moved as quickly as it should have been.
- Members asked about the role of Salford Computer Audit Services and how this worked in practice.

RESOLVED – That the report be noted.

7. ANNUAL HEAD OF INTERNAL AUDIT OPINION AND REPORT 2020/21

A representative of the Corporate Director (Corporate and Support Services) and Deputy Chief Executive submitted a report (copies of which had been circulated) which contained the statement and details the audit work undertaken in the year from which the overall opinion has been drawn.

RESOLVED – That the report be noted.

8. ANNUAL ANTI-FRAUD, BRIBERY AND CORRUPTION REPORT 2020/21

A representative of the Corporate Director (Corporate and Support Services) and Deputy Chief Executive submitted a report (copies of which had been circulated) which detailed the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring in the Council. This supported the requirements of the Accounts and Audit Regulations (England) 2011, which state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, the report has taken fraud also to refer to cases of bribery and corruption.

The following comments were made/issues raised:

- Members raised the issue of the anti-corruption team and whether the fact that it was small represented optimal value for money. In response, Members were advised that this was being looked at over the next twelve months and a decision would be taken as to whether extra resources were needed.
- Members noted that a lot of resources were put into not providing any opportunities for fraud to take place.

RESOLVED – That the report be noted.

9. SCHOOL SUMMARY REPORT 2020/21

A representative of the Corporate Director (Corporate and Support Services) and the Deputy Chief Executive submitted a report (copies of which had been circulated) which provided details of all the key and recurring issues, risks and subsequent recommendations made from the 16 internal audits of schools undertaken in 2020/21.

The following comments were made/issues raised:

- Members were pleased to note that learning from this report could now be cascaded to all schools for maximum benefit to all.

RESOLVED – That the report be noted.

10. ANNUAL REPORT OF THE CHAIR OF THE AUDIT COMMITTEE 2020/21

A representative of the Corporate Director (Corporate and Support Services) submitted a report (copies of which had been circulated) which aimed to:

- demonstrate how the Audit Committee has fulfilled its terms of reference during the financial year and how it is fully committed to helping to improve the Council’s governance and control environments during the year ahead.
- outline how the committee’s activities during the financial year are designed to make a positive contribution to the continual improvement of governance arrangements across the Council, as well as performing the statutory roles as identified in the Constitution.

RESOLVED – That the report be noted.

11. RISK REGISTER/COVID 19 RISK UPDATE

A representative of the Corporate Director (Corporate and Support Services) and Deputy Chief Executive submitted a report (copies of which had been circulated) which updated Members on the Risk Register and the Covid-19 risk.

The following comments were made/issues raised:

- Members noted the potential for further disruption relating to the Integrated Care System.
- Members were assured that this is very much on the Council's radar. A lot of further work on this will be carried out over the summer.
- A short discussion took place relating to cyber resilience and how this risk would be managed.

RESOLVED – That the report be noted.

12. REDMOND REVIEW INTO LOCAL AUDIT SPRING UPDATE 2021

A representative of the Corporate Director (Corporate and Support Services) and Deputy Chief Executive submitted a report (copies of which had been circulated) which detailed the progress made on the Redmond Review.

RESOLVED – That the report be noted.

13. MAZARS ANNUAL PROGRESS REPORT

A representative of the External Auditor, Mazars, submitted a report (copies of which had been circulated) which provided the Committee with an update on progress in delivering Mazars responsibilities as the external auditors.

The following comments were made/issues raised:

- An explanation was provided on how the value for money from Mazars was audited.

RESOLVED – That the report be noted.

The meeting closed at 7.20 pm