

AUDIT COMMITTEE

Meeting: 17 November 2021

At: 6.00 pm

PRESENT

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

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 8 September 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.

No declarations of interest were made.

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. STAR UPDATE

The Star Director, Star Procurement submitted a report (copies of which had been circulated) which provided Members with an update on the latest position at Star Procurement.

The following comments were made/issues raised:

- Members asked how the 1 million pounds delivered on social value which was mentioned in the report, was measured. In response, Members were advised that this was done via questionnaires and looking at work practices and actions and looking at how STAR adds value, for example through volunteering and procurement. The measures are then converted into a proxy value.
- Members asked for further information to be sent through which would explain matters further.

- Members asked how savings were ratified and were advised that this was passed through to the Council's finance teams to examine.
- A short discussion took place as to how expenses were pooled and distributed.

RESOLVED – That the report be noted.

6. DEBT WRITE OFF REPORT

The Deputy Chief Executive and (Section 151 Officer) submitted a report (copies of which had been circulated) which provided Members with details of write offs of low-level amounts of debt for the period 1 April 2020 to 31 March 2021.

The following comments were made/issues raised:

- A short discussion took place regarding the formatting of reports and how these would be presented in future.
- Members raised the issue of how write off processes were checked to ensure that they were in accordance with established procedures.

RESOLVED – That the report be noted.

7. INTERNAL AUDIT PROGRESS STATEMENT 2 (1ST JULY 2021 TO 31ST OCTOBER 2021)

The Deputy Chief Executive and Section 151 Officer submitted a report (copies of which had been circulated) which set out the progress made by internal audit against the revised Risk Based Internal Audit and Covid Assurance Plans originally approved by the Audit Committee in March 2021.

The following comments were made/issues raised:

- Members asked about whether there were any ongoing staffing issues. In response, Members were advised that there was currently one vacant post which was being advertised and officers were confident that this would be filled soon.
- There was a draft report relating to respite care for disabled children whose needs are many and various, how useful has this exercise been? In response, Members were advised that there had been a great emphasis on quality assurance, there had been some teething problems in the systems used and this was a work in progress. A huge emphasis was given to the wellbeing of the children that are placed. Overall, controls were really positive.
- Members commented on the need for training for Councillors among others to keep up with the changes that are happening rapidly.

RESOLVED – That the report be noted.

8. SUMMARY REPORT - LIMITED ASSURANCE AUDIT REPORTS 2021-22

The Deputy Chief Executive and Section 151 Officer submitted a report (copies of which were circulated) which set out the background, findings and subsequent progress made in

those audit areas given a Limited Assurance audit opinion, following an internal audit review. The report also informed Audit Committee members of any over-riding issues that had been identified and the activities undertaken by management to improve controls in the future.

The following comments were made/issues raised:

- Members raised the issue of how often Officers were returning to issues where gaps in information had been identified. Members were advised that Audit officers were provided from regular updates from Managers in order that information can be provided to Committee Members. Different departments are now introducing minimum standards, for example the tableau dashboards. Limited Assurance audits were kept on top of, but it had been difficult during the last 18 months due to the pandemic.

RESOLVED – That the report be noted.

9. ANNUAL GOVERNANCE STATEMENT ACTION PLAN

The Deputy Chief Executive and Section 151 Officer submitted a report (copies of which had been circulated) which advised Members on the Council's Annual Governance Action Plan arising from the latest Annual Governance Statement (AGS). The AGS was approved by the Audit Committee at its meeting in July 2021.

The Action Plan also outlined the two key governance issues currently facing the Council along with agreed controls put in place to manage the issues. This report provided updates from lead officers on progress to date and developments in the governance of these issues.

The following comments were made/issues raised:

- In response to a Member question, the Committee was advised that management and mitigation of risk and the use of reserves had played a crucial part in the robustness and resilience within Stockport.
- Members acknowledged the importance of good governance, good risk management and sound financial systems in local government and it was agreed that a precis report into the positions of Peterborough and Wirral Council would come to the next meeting of the Audit Committee.

RESOLVED – That the report be noted.

10. RISK REGISTER UPDATE 2

The Deputy Chief Executive and Section 151 Officer submitted a report (copies of which had been circulated) which updated Members on the Council's Risk Register.

The following comments were made/issues raised:

- Members praised the positive work that was taking place in relation to climate change.

- A short discussion took place in relation to the impact on the financial position of inflation and interest rate rises. Members acknowledged that this was a very volatile and uncertain time.
- In response to a Member question relating to a new Chief Executive, members were advised that it was hoped that the recruitment process could be concluded as soon as possible in order to mitigate any potential risk.

RESOLVED – That the report be noted.

11. OPTIONS FOR APPOINTMENT OF EXTERNAL AUDITOR

The Deputy Chief Executive and Section 151 Officer submitted a report (copies of which had been circulated) which outlined the options for the procurement of external audit services.

RESOLVED – That the preferred option to opt into the sector-led option through PSAA for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023 be approved.

12. AUDIT PROGRESS REPORT - MAZARS

The external auditors, 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.

RESOLVED – That the report be noted.

The meeting closed at 7.20 pm