

## **AUDIT COMMITTEE**

Meeting: 15 March 2023

At: 6.00 pm

### **PRESENT**

Councillor John Taylor (Chair) in the chair; Councillor Carole McCann (Vice-Chair);  
Councillors Paul Ankers, Christine Carrigan, Graham Greenhalgh and Ian Powney.

### **1. MINUTES**

The Minutes (copies of which had been circulated) of the meeting held on 16 November 2022 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.

At this point the Chair paid tribute and gave his thanks to Councillor Stuart Corris who was a long standing Member of Audit Committee and who was due to retire in May.

### **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 Audit Committee, subject to the exclusions set out in the Code of Practice.

No public questions were submitted.

### **5. 2022/23 ACCOUNTING POLICIES AND 2021/22 STATEMENT OF ACCOUNTS AUDIT UPDATE**

The Deputy Chief Executive (and Section 151 Officer) submitted a report (copies of which had been circulated) which provided an update on the 2022/23 Accounting Policies and 2021/22 Statement of Accounts Audit Update.

The following comments were made/issues raised:

- In response to a Member question, the Committee was advised that it was likely that there would be material changes to the accounts as a result of the pension

order. Therefore, the 2021/2022 accounts would have to come back to the Audit Committee for consideration.

- Members asked what the policy was in relation to how long to wait before publishing the accounts? In response, the Committee was advised that this was that this was subject to the Audit process.
- A short discussion took place relating to what the position would be if there was a shortfall in the actuarial valuation of the main pension scheme.
- The position for pensions for teachers and NHS workers was also considered.
- Members asked what the consequences would be for the council if the accounts were not approved in the next 2 or 3 cycles.

**Resolved (i) That the report be noted.**

**(ii) That the Council's proposed Accounting Policies to be adopted in preparing the Council's 2022/23 Annual Statement of Accounts be approved.**

## **6. INTERNAL AUDIT PROGRESS REPORT 3 (NOVEMBER 2022 TO FEBRUARY 2023)**

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 approved Internal Audit Plan approved by the Audit Committee in March 2022.

The following comments were made/issues raised:

- Members asked whether it would be useful to increase the frequency of exercises where the yield was good. In response, the Committee was advised that due to limited resources, it was possible to do this only once every two years.
- A short discussion took place relating to where the Council may have vulnerabilities.
- Members asked in what ways the internal audit processes could be refreshed, peer reviews or increased training for example.
- In response to a Member question, the Committee was advised that colleagues could self-refer to health and wellbeing services.
- In response to a Member question, a discussion took place in relation to what was meant by limited assurance.

**Resolved – That the report be noted.**

## **7. INTERNAL AUDIT PLAN AND AUDIT CHARTER 2023-24**

The Deputy Chief Executive (and Section 151 Officer) submitted a report (copies of which were circulated), the Internal Audit Plan 2023/24 outlined the key areas of the Council that current internal audit resources will be directed, in the next financial year.

The following comments were made/issues raised:

- In response to a Member question the Committee was advised of some of the sampling methodology that was used by the audit team.
- Members asked about how priorities were determined.

- Members asked about the risks relating to placing additional pressures on the workforce and what could be done to mitigate this. In response, the Committee was advised that it was vital that the audit team did not over commit. There were challenges relating to allocating resources and knowing how much time each audit would take. Income streams for the audit team were also being developed.

**Resolved – That the 2023/24 Internal Audit plan and Charter be approved.**

## **8. ASSURANCE MAP 2023-24**

The Deputy Chief Executive (and Section 151 Officer) submitted a report (copies of which had been circulated) which provided an effective tool to provide useful insights for both the Corporate Leadership Team (CLT) and members of the Council's Audit Committee.

**Resolved – That the contents of the 2023/24 Assurance Map be noted.**

## **9. AGS PROGRESS STATEMENT 3 2022/23**

The Deputy Chief Executive (and Section 151 Officer) submitted a report (copies of which had been circulated) which provided the third update of the Council's Annual Governance Action Plan arising from the latest Annual Governance Statement (AGS).

The following comments were made/issues raised:

- Members asked whether the overall risk assessment in relation to health systems was lower due to some of the structural changes that have been made. In response, the Committee was advised that this was a medium risk to the organisation as it relied on partners to deliver. Broader strategic work was still required to be done.

**Resolved – That the report be noted.**

## **10. ARRANGEMENTS FOR COMPLETING AGS FOR 2023/24**

The Deputy Chief Executive (and Section 151 Officer) submitted a report (copies of which had been circulated) that set out the proposed arrangements for completion of the Annual Governance Statement for 2023/24. The final AGS would be produced and presented at the Audit Committee in September 2023 along with the Annual Accounts.

**RESOLVED – That the process for completion of the statement be approved.**

## **11. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME – SELF ASSESSMENT**

The Deputy Chief Executive (and Section 151 Officer) submitted a report (copies of which had been circulated) which set out the quality assurance arrangements in place for internal audit for 2023/24 along with the self-assessment results of the QIAP for 2022/2023 and the proposed basis that the Head of Internal Audit, Risk and Insurance will use for the external assessment function which is required under the PSIAS.

The following comments were made/issues raised:

- In response to a Member question, the Committee was informed about how the Power Be computer system would deliver against some of the key indicators.
- A discussion took place on the latest position in relation to school audits which had not taken place for a while.

**RESOLVED – That the QAIP and the results of the self-assessment be noted.**

## **12. CORPORATE RISK REGISTER - QTR 4 UPDATE**

The Deputy Chief Executive (and Section 151 Officer) submitted a report (copies of which had been circulated which provided Audit Committee with an Update to the Corporate Risk Register Quarter 4.

The following comments were made/issues raised:

- Members asked whether issues such as business continuity and disaster management were the kind of issues that could go into the Corporate Risk Register? In response, the Committee was advised that every department has to have a business continuity plan that has to be updated every six months. Regular testing of these plans also took place regularly.

**RESOLVED – That the contents of the CRR Update report be noted.**

## **13. AUDIT PROGRESS REPORT**

The external auditors, Mazars submitted a report (copies of which had been circulated) which provided an update on the work that Mazars have undertaken as the auditor for Stockport Metropolitan Borough Council.

**RESOLVED – That the Audit Progress Report be noted.**

The meeting closed at 7.55 pm