

AUDIT AND GOVERNANCE COMMITTEE

A meeting of Audit and Governance Committee was held on Wednesday 31 May 2023.

Present: Cllr Barry Woodhouse (Chair), Cllr Marc Besford, Cllr Ross Patterson, Cllr Tony Riordan, Cllr Paul Rowling and Cllr Mick Stoker.

Officers: Andy Bryson ((DoF,D&R)), Julie Butcher ((DoCS)), Andrew Barber, Derek Macdonald and John Devine ((CS)).

Also in attendance: Cllr Eileen Johnson (Observer) and Gavin Barker (Mazars)

Apologies: Cllr Stefan Houghton (Vice-Chair), Cllr Emily Tate and Cllr Laura Tunney.

AGC/1/23 Evacuation Procedure

The evacuation procedure was noted.

AGC/2/23 Declarations of Interest

There were no declarations of interest.

AGC/3/23 Minutes

Consideration was given to the minutes from the meeting which was held on the 23rd March 2023 for approval and signature.

RESOLVED that the minutes be approved as a correct record by the Chair.

AGC/4/23 Constitution Update

Officers presented the Constitution update which had been approved by full Council in March 2023.

Members asked Officers if members of the public had access to the updated version of the constitution through Stockton Borough Councils (SBC) website. Officers confirmed that members of the public would have access to the updated constitution, however this had not been implemented at the time of the meeting due to the links to other parts of the SBC website. The IT department were working to fix the issues before going live with the updated version of the constitution.

RESOLVED the update be noted.

AGC/5/23 Health & Safety Report

Members were presented with the Health and Safety Report which provided the Committee with an update on the health, safety, and wellbeing performance of the Council for the period 1st April 2022 – 31st March 2023.

Due to his retirement Members expressed their thanks to Derek McDonald for his work with the Audit and Governance Committee.

RESOLVED the update be noted.

AGC/6/23 Internal Audit Annual Report

Members were asked to consider and note the annual report of the Head of Internal Audit as required by the Public Sector Internal Audit Standards (PSIAS). The report included the Audit & Risk Manager's annual opinion on the overall adequacy and effectiveness of the Council's internal control and governance processes. As such it formed an integral part of the formulation of the Council's Annual Governance Statement.

This report encompassed the reporting requirements specified in Standard 2450 of the PSIAS.

Internal Audit was an independent appraisal function established by the Council to objectively examine, evaluate, and report on the adequacy of internal controls. This role ensured that there was proper economic, efficient, and effective use of resources. It also ensured that the Council had adequate accounting records and control systems

The main topics discussed were as follows:

Officers stated they were satisfied that the systems in place conform to the standards required by Internal and External Assessments.

Of the targeted 362 control measures in place the department had performed 365 exceeding the initial target.

A brief discussion was had around the governance arrangements for the Hampton by Hilton in Stockton on Tees.

RESOLVED that the report be noted.

AGC/7/23 Risk Register Update and Audit Activity

Officers presented the Risk Register Update and Audit Activity report to Members highlighting the following:

All sections of the key governance themes were above 75%, this was from all testing undertaken not just for in the current reporting period.

Two Red controls had been identified in the period, one relates to child placements, this had previously been reported and Officers recognised that the risk is due to a national shortage of suitable placements so whilst the risk is being managed it remained and continued to be shown as Red. The second related to an out-of-date Public Rights of Way Improvement Plan, due to a lack of resources it was unlikely this will not be updated in the short-term.

RESOLVED that the report be noted.

AGC/8/23 Verbal Update Annual Accounts 2021/22 & 2022/23

Officers presented a verbal updated on the Annual Accounts for 2021/22 & 2022/23.

A brief update for the 2020/21 accounts was also given, stating that Mazars had not been able to issues an audit certificate as they were waiting for the National Audit

Office to provide clearance on WGA. No other obstacles in the way of signing off the 2020/21 accounts, Mazars are confident they will be able to close them soon.

The 2021/22 Accounts are in the same position as previously explained to members in the previous meeting. Mazars gave a brief recap for new members of the committee. All work that could be done had been completed by Officers but remaining issues which needed to be resolved have delayed the accounts sign off. The infrastructure guidance issue was able to be resolved in January 2023 and the Pension Fund Auditor assurance wasn't received until March 2023.

Due to the delay in the Pension Fund audit assurance the Triennial Revaluation had been completed before the accounts could be signed off. The impact of that has been shown through the guidance given to Councils from the National Audit Office and The Chartered Institute of Public Finance and Accountancy (CIPFA), that the 2021/22 accounts will need to consider the impact of the pension triennial revaluation.

This will push back the 2021/22 accounts back further than expected and Mazars are working with the Pension Fund Auditor to refine the time frame.

In relation to the 2022/2023 accounts, it is a requirement to produce the accounts by the end of May 2023, and the Council are required to seek to audit the accounts by the end of September. A number of Councils had expressed that the time frame set out was unreasonable and not workable.

A public notice had been issued to explain the reasons for the accounts not being available at the time of the meeting for the public to inspect as is usual.

When the accounts are available, they will be brought back to the Audit and Governance Committee first and then publish them. The accounts may be ready for mid-July, this would require the July meeting to be brought forward but could be discussed between Officers outside of the meeting.

Officers noted to members that all Authorities across the Tees Valley were in the same position as Stockton and had not issued their accounts by the end of May.

RESOLVED that the update be noted.

AGC/9/23 Work Programme

The Work Programme was Noted