

AUDIT AND GOVERNANCE COMMITTEE

A meeting of Audit and Governance Committee was held on Thursday 23 March 2023.

Present: Cllr Barry Woodhouse (Chair), Cllr Stefan Houghton, Cllr Ross Patterson and Cllr Laura Tunney.

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

Also in attendance: Gavin Barker (Mazars)

Apologies: Cllr Lauriane Povey (Vice-Chair), Cllr Chris Barlow, Cllr Eileen Johnson and Cllr Mick Stoker.

AGC/37/22 Evacuation Procedure

The evacuation procedure was noted.

AGC/38/22 Declarations of Interest

There were no declarations of interest.

AGC/39/22 Minutes

Consideration was given to the minutes from the meeting which was held on the 28th November 2022 for approval and signature.

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

AGC/40/22 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 October – 31st December 2022.

RESOLVED the report be noted.

AGC/41/22 Risk Register Update and Audit Activity

Members were presented with the Corporate Risk Register Update and Internal Audit Activity Report.

The Committee was reminded that quarterly reports on the Corporate Risk Register was presented for the purpose of reviewing the key risks that had been identified as having the potential to deflect services from achieving their objectives over the next 12 months and beyond. The report also set out the actions being taken to ensure that the risks, and possible adverse outcomes, were minimised. As a reminder, risks were scored on a scale of one to five for both 'impact' and 'likelihood'.

The main topics highlighted were as follows:

Governance Training which had been identified in a previous meeting as a red control,

had improved from a 62% completion rate to a 74%. This would still be highlighted as a red control, but it was a positive trend.

Two other red controls were identified in relation to the availability of fit notes and a backlog in case supervision. Both showing positive trends for improvement going forward.

RESOLVED the report be noted.

AGC/42/22 Internal Audit Charter

Members were presented with a report to advise of the Internal Audit Charter and proposed approach to delivering the audit service for the coming audit year 2023-24. The Audit and Risk Manager reaffirmed to Members how the Audit Service would be delivered and confirmed the rights of access to council documents. The Council met all standards as set out in the statutory guidance.

RESOLVED that the report be noted.

AGC/43/22 Peer Review Report

Officers presented the External Quality Assessment Peer Review to Members; the purpose of the report was to advise Members of the results of the review of the Internal Audit Service.

The review by Chartered Institute of Public Finance and Accountancy (CIPFA) was completed in December 2022 on the basis of a validation of our own self-assessment. The final report shows that the Internal Audit Service was fully compliant with all aspects of the standards.

CIPFA identified four areas where advice was given to improve the service further, three of those areas related to introduce wording to reports/documents to further strengthen them. The fourth area relates to an acknowledgement of wider section issues relations to staff recruitment.

The service received positive feedback around their approach to delivering the service, the strong links with risk, the clarity of reporting and use of dashboards to provide managers with live data on the result of Audit work, were highlighted specifically.

The Chair of the committee noted the level of investigation by CIPFA was impressive and in depth. Officers echoed the Chairs comments in regards to the depth and scope of the investigation.

Members of the Committee asked Officers to take back their praise to the department.

RESOLVED the report be noted.

AGC/44/22 Verbal Update Annual Accounts 2021/22 - Delay in Signoff

It was the intention of Officers and External Auditors to present the 2021/22 accounts to the Committee for final approval and sign off. Unfortunately, due to continued delays and additional issues with the Teesside Pension Fund audit assurance, which are outside of the control of the Authority and Mazars, presenting the accounts was not possible. Officers gave Members a detailed verbal update outlining reasons which had caused the approval and sign off, of the Annual Accounts for 2021/22 to be delayed.

Officers noted that due to the continuing pension fund issues and backlog of external

audits nationally, there is likely to be an impact on the Authority being able to produce and present the 2022/23 accounts within statutory deadlines. The deadline for the 2022/23 Draft Accounts is 31st May 2023 and final accounts following external audit has been set as the 30th of September 2023.

Members and Officers agreed that a briefing note would be drafted and presented at the next committee meeting following local elections in May 2023.

RESOLVED the update be noted.

AGC/45/22 Work Programme 2022/23

The Work Programme was noted.