

## **AUDIT COMMITTEE**

### **Minutes of a meeting of the Audit Committee held on Thursday, 26 May 2022 at 6.00 pm in Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

**Present:** Councillors N A M England (Chair), V J Holt, J E Lavery, C F Smith (Vice-Chair) and B Wennington

**In Attendance:** K Clarke (Director: Finance & Human Resources), T Drummond (Principal Auditor), P Harris (Finance Manager, Corporate & Capital Finance) A Lowe (Director: Policy & Governance), R Montgomery (Audit & Governance Lead Manager), G Patterson (Grant Thornton), K Robinson (Senior Democracy Officer (Scrutiny)), D Rowley (Grant Thornton)

**Apologies:** Councillors W L Tomlinson

#### **AU26      Declarations of Interest**

None.

#### **AU27      Minutes of the Previous Meeting**

**RESOLVED** – that the minutes of the meeting held on 25 January 2022 be confirmed and signed by the Chair.

#### **AU28      Review of the Terms of Reference for the Committee**

Following an introduction to the report by the Audit & Governance Lead Manager it was:

**RESOLVED** – that Members of the Audit Committee note and recommend the terms of reference attached to the report as Appendix 1 be adopted by the Council at their May 2022 meeting.

#### **AU29      External Audit Plan for the Year Ending 31 March 2022**

The Council's external auditors Grant Thornton, represented by Grant Patterson and David Rowley, presented the External Audit Plan for the year ending 31 March 2022.

The auditors provided an overview of how the report was set out and how NuPlace was accounted for within the audit. The auditors had looked at the Council's control environment assessing where any risks may exist.

In terms of valuation of land and buildings, the auditors had relied on in house specialists but had also consulted an expert on valuation to give a view on the firm's underlying assumptions to form a view on how reasonable they were.

It was not believed there was a high possibility for material fraud and this was strengthened by a strong control environment. .

**RESOLVED** – that the report be noted by the Committee.

**AU30**      **Informing the Audit Risk Assessment for Telford & Wrekin Council 2021/22**

Grant Patterson, representing Grant Thornton, presented the report to the Committee.

The auditors, as part of their planning work, had to understand risk and governance within the organisation. They had discussed these matters with the Council's management and produced the report. Members were asked to confirm that the report was in line with their view on the organisation by noting the report.

**RESOLVED** – that the report be noted by the Committee.

**AU31**      **ISA 540 Estimates Letter**

Grant Thornton's representative presented the report.

Auditing standards had changed and there was more emphasis on investigation and challenging. Auditors were meant to understand systems and processes within the council and to record them. The report documented the auditors letter to the Council and management's response to the questions contained within.

**RESOLVED** – that the report be noted by the Committee.

**AU32**      **2021/22 Annual Governance Statement including a review of the Local Code of Good Governance**

The Audit & Governance Lead Manager presented the report.

Regulations required the Council to produce an annual governance statement. The report included an action plan to ensure the Council continued to improve on its existing governance arrangements. The Authority had a robust framework in place and this was continually under review.

Assurance was obtained via a number of measures such as governance certification by service area, sampling, scrutiny, and internal and external auditing.

The Council was also required to have a Local Code of Good Governance. This had been approved by the Committee previously. The Code was attached at appendix 2. There were no updates except for changes to job titles.

**RESOLVED** – that

- a) **Members of the Audit Committee approve the Annual Governance Statement 2021/22, attached as Appendix 1 (including Annex 1), and note the information in the report.**
- b) **Members of the Audit Committee approve the Local Code of Good Governance (Appendix 2).**

**AU33**      **Draft Statement of Accounts 2021/22**

The Committee received the report from the Finance Manager.

Authority to review and approve the Statement of Accounts had been delegated to the Audit Committee. The draft statement was presented to start the process for the year to March 2022. The aim was to bring the report to Committee again in November 2022 and Members could raise queries and comments with officers in the meantime.

In December 2021, the Department for Levelling Up, Housing and Communities had announced their intention to amend deadlines to the accounting process. The expectation was that the Council would have to publish its Statement of Accounts by 30 November. There was also a period of public inspection; this had to begin either by or on 1 August.

Grant Thornton would begin the main work on 20 June.

**RESOLVED** – that the report be noted by the Committee.

**AU34**      **Internal Audit Update Report**

The report was to update Members on the Council's internal audit work. Sixteen reports had been issued; three had since been followed up. The table in the report set out reports and follow-ups. There had been two unplanned pieces of work for the team looking at vaccine and food programme grants.

A question was posed:

*The Horsehay Bar report was highlighted red with a follow up due in September 2022, could officers provide an update?*

The September follow up was to allow for changes to be implemented and transactions to take place, this would allow for testing. There was an action plan that was being worked on. Members would be briefed on the updated position.

**RESOLVED** – that Members of the Audit Committee note the information contained in this report in respect to Internal Audit planned work undertaken between 1 January 2022 – 30 April 2022 and unplanned work to date.

**AU35      Internal Audit Report 2021/2022 & the Audit Committee  
Annual Report 2021/2022 & The 2022/23 Annual Audit Plan**

The report set out the operations of the Committee and the Annual Audit Plan. Section 5 of the report was the annual update; this was provided as reasonable assurance in the Annual Governance Statement.

The team had achieved 50% of the audit plan and some items had been rescheduled to the new plan.

There had been an increase in legal and financial recommendations but a decrease in policy and procedure recommendations. The figures were comparable to the 2019/2020 figures. The change in working practices during the pandemic were thought to be a reason for this. The results of the internal assessment were to be reported at the next Committee meeting.

Section 7 set out the Annual Audit Report, showing work completed in 2021/2022. Section 8 was the Audit Plan for 2022/2023; the plan was attached as an appendix to the report. The 2022/2023 plan had been developed according to a risk-based approach, looking at areas previously identified.

The document was dynamic and updated as new risks were identified. Any updates would be reported to the Committee at the nearest opportunity.

**RESOLVED – that**

- a) **Members of the Audit Committee note the Internal Audit Annual Report for 2021/22;**
- b) **Members of the Audit Committee note the operations of the Audit Committee for 2021/22 attached at Appendix 2; and**
- c) **Members of the Audit Committee approve the Internal Audit Plan 2022/23 attached as Appendix 3.**

**AU36      Information Governance & Caldicott Guardian Annual Report  
2021/22**

The Audit & Governance Lead Manager presented the report to the Committee.

The report set out the work of the information governance team in 2021/2022 and sought approval for the 2022/2023 information governance work programme.

In 2021/2022 there had been more Freedom of Information requests than in the previous municipal year. The Council had improved in terms of responding to these within the legislative deadline. The Information Commissioner's

benchmark for good practice was to respond to 90% within the legislative timeframe and Telford & Wrekin had achieved that.

A small number of referrals had been made to the Information Commissioner's Office (ICO) where requesters were unhappy with the Council's response. However, the ICO had ruled that these did not require further action.

There had been 137 data requests in 2021/2022. This was a small reduction on the previous year. The majority of these requests were from individuals involved in the care process at the Council. 25,000 pages of social care information had been read and redacted. The Authority's response time had dipped but was close to the 90% ICO benchmark.

The Council had self-reported one data breach to the ICO in 2021/2022, the ICO, however, were satisfied with the response to the breach and no further action was necessary.

Section 6 of the report set out the work of the Caldicott Guardian.

Appendix 1 to the report set out the progress made on the 2021/2022 work programme. Appendix 2 set out the 2022/2023 work programme for approval.

**RESOLVED** – that

- a) **Members of the Audit Committee note the Information Governance & Caldicott Guardian Annual Report for 2021/2022.**
- b) **Members of the Audit Committee agree the IG Work Programme for 2022/23.**

**AU37**      **Corporate Anti-Fraud & Corruption - 2021/22 Annual Report & Policy**

Members were informed that the report was an annual update on the Council's anti-fraud work. The Committee's terms of reference stated that they must approve the anti-fraud policy and monitor its operation. The policy was not at the meeting; it was tabled at Committee biennially and had been approved in the previous year.

The report for 2021/2022 included counter-fraud activities, internal audit, and public protection work.

Council procedures were designed to minimise fraud and work was done on fraud prevention with training and newsletters.

Section 13 of the report set out extra information on cyber fraud.

**RESOLVED** – that the Audit Committee notes the 2021/22 Annual Report on Corporate Anti-Fraud and Corruption activity.

**AU38      Outline of Audit Committee Business for 2022/23**

The report laid out the business for the Committee for the 2022/2023 municipal year.

The meeting ended at 6.43 pm

**Chairman:** .....

**Date:**            Tuesday, 19 July 2022