



AUDIT AND STANDARDS COMMITTEE

MECHANICS THEATRE, MANCHESTER ROAD

Thursday, 27th January, 2022 at 6.30 pm

PRESENT

MEMBERS

(Councillor H Baker, In the Chair).

Councillors H Baker (Vice-Chair), P Chamberlain, T Commis, B Foster, A Raja and A Wight

OFFICERS

Lukman Patel	– Chief Operating Officer
Ian Evenett	– Internal Audit Manager
Amy Johnson	– Principal Accountant
Salma Hussain	– Internal Auditor
Eric Dickinson	– Democracy Officer
Matthew Woodward	– Internal Auditor

CO-OPTED MEMBERS

Councillor Gill Smith
David Swift

EXTERNAL AUDITORS

Helen Stevenson	– Grant Thornton-External Auditor
Georgia Jones	– Grant Thornton-External Auditors

16. Apologies

Apologies for absence were received from Councillor Charlie Briggs, Councillor Lubna Khan, Councillor Wajid Khan, and Stuart Arnfield.

17. Minutes of the last meeting

To approve as a correct record the Minutes of the meeting held on 23rd September 2021.

18. Audited Final Accounts 2020-21

Georgia Jones and Helen Stevenson, from Grant Thornton, presented the Audit Findings report for the year ended 31 March 2021.

Georgia Jones suggested that it was usual for any minor changes to the Audit Findings to be delegated to the s151 Officer of the Council in consultation with the Chair of the Audit and Standards Committee, with any material changes to be reported back to the Audit and Standards Committee.

She reported within the financial statements on significant risks regarding management override of controls and valuation of investment property, on key judgements regarding land and building valuations, and on Internal Control regarding the journals system.

She also reported that the accountancy treatment of Sandygate Square was still under review by Grant Thornton's Technical Team and that the conclusion of which would be discussed with the Head of Finance and Property and the Finance Manager as necessary.

As part of the Action Plan she highlighted a recommendation that valuation of land and buildings is undertaken on 31 March of the year of the accounts.

Helen Stevenson reported on Value For Money (VFM) and indicated that the focus was on financial sustainability with the outcome being a focus on delivery.

Members made the following points;

-Why did General Fund Reserves increase significantly?

This was due to Business Grants received and Covid related issues

-How were VFM issues monitored?

This was done within quarterly Monitoring reports with an assessment of risk carried out by Internal Audit, and the reports were public and went to all Members at Full Council.

-The outcome of how journals were made and by who?

Due to work demands regarding why a few particular journals were made, and due to homeworking as a backup with the number of system administrators increased, it was confirmed that all journals made were appropriate but also that the issues would be reviewed by management

IT WAS AGREED

(1) That the Statement of Accounts be approved and signed, with delegated authority given to the S151 Officer to make minor amendments in consultation with the Chair of the Audit and Standards Committee;

(2) That the Letter of Representation be approved and signed;

(3) That the Audit Findings be noted; and

(4) That the Annual Governance Statement signed as at January 2022 be approved.

19. Annual Governance Statement 2021-22 Arrangements

Ian Evenett reported on the 2021-22 Annual Governance Statement Arrangements. He indicated that the Member Self-Assessment Questionnaire 2021/22 at Appx 2 was for the attention of Chairs of Committees and other specified Members, and that they should be returned by the end of February so that the draft assurance statement can be completed by the end of March with inclusion in the draft accounts by the end of July.

IT WAS AGREED

That the proposed process for the 2021-22 Annual Governance Statement Arrangements be approved.

20. Internal Audit Progress Report Q2 2021-22

Matthew Woodward presented the Internal Audit Progress report 2021-22, and he highlighted the action taken to report and recover the ineligible payment of Test and Trace Grants.

Members Made the following points;

-What is the timescale for reporting Q3 information to the end of December 2021?

This will be reported to Audit and Standards in March 2022 as currently set out in the Work Programme

-Has there been a systems audit undertaken regarding Test and Trace payments?

Councils were asked to issue Grants with control priorities only put in place afterwards, and despite operational controls some frauds have been perpetrated. However there is no system weakness, improvements have been passed onto management, and a covid audit is currently being undertaken.

It was further reported that national fraud arrangements did identify particular accounts and that a worse outcome was averted. It was also indicated that due to the particular circumstances of Covid the grant scheme did occasionally compromise Audit Independence during processing, but on those occasions an Independent Review was carried out.

-How was the list of Audit reports decided and amended?

It was indicated that movements to the list would not usually be a matter for the Audit and Standards Committee but would be made by Internal Audit with any external client audits the responsibility of their Audit decision makers.

IT WAS AGREED

That the report and comments on its contents be noted.

21. Fraud Risk Assessment 2021-22

Salma Hussain reported on a fraud risk assessment and on the current fraud trends which affected the public sector.

Members made the following points;

-Who now deals with Housing Benefit fraud?

The DWP deals with it, and that as well as Council Tax Rebate which is still substantive there are some Housing Benefit cases which have not moved over to Universal Credit and which the Council would refer to the DWP Fraud Investigation Service.

-What steps are being taken to address single person discount fraud as it has grown in the last year?

It was reported that liaison was ongoing with the National Fraud Initiative with 20 cases referred at a value of 7k and that checks were being done annually to identify potential fraud in this difficult to prove area which usually involved multiple year fraud.

IT WAS AGREED

That the report be noted.

22. Strategic Risk Register 2022

Ian Evenett reported on the Strategic Risk Register.

Members made the following points;

-How was the financial stability regarding Charter Walk recognised?

It was currently recognised within the financial stability risk, but it could also be added to the current trigger or cause list within the register.

- How was the progress of Charter Walk monitored, such as rent collection, and could there be a separate report on Charter Walk?

It was reported on within the Revenue Monitoring reports which went through the Committee system to all Members, and which was inclusive of all issues.

It was highlighted that regarding regeneration risks, the acquisition of Charter Walk and the progression of the Pioneer site development had reduced the risk in risk reference 6 (inability to deliver the regeneration programme) from 3 to 2 due to reduced loan uncertainty and rents now being successfully collected.

IT WAS AGREED

That the report and the comments on its contents be noted.

23. Regulation of Investigatory Powers Act (RIPA) -Annual return

Lukman Patel reported on the Regulation of Investigatory Powers Act (RIPA) Annual Return, and indicated that there had not been any surveillance activity necessitating authorisation under RIPA in the 2021-22 financial year.

Ian Evenett also reported that during any Internal Audit investigation there was an awareness of RIPA and its involvement of covert human intelligence sources as well as the need for any investigation to be proportionate.

IT WAS AGREED

That the update on authorisations issued under RIPA be noted.

24. Standards Complaints Update

Lukman Patel reported on Member Complaints Statistics during the 2021/22 Municipal Year. He indicated that to date 6 complaints regarding the conduct of Members had been received, with 3 withdrawn before the complaint initial assessment was undertaken, one complaint obsolete due to old information being on the Council's website, and 2 complaints being dealt with by mediation following the complaint initial assessment by the Monitoring Officer and after consultation with the Council's Independent Person.

He also proposed that an updated report for 2021/22 Member complaints is provided to the Committee at the beginning of the 2022/23 Municipal year.

Members made the following points;

-Regarding the withdrawal of 3 complaints before the complaint initial assessment was undertaken, were there any barriers been identified which led to the complaints being withdrawn?

It was indicated that complaints no longer went through Group Leaders but after due consideration in each case and with the agreement of the complaint the complaints were withdrawn.

IT was AGREED

That the Member Complaints report 2021/22 be noted, including that a further update be provided at the first meeting of the 2022/23 Municipal Year.

25. Work Programme 2021/22

The Work Programme 2021/22 was considered.

IT WAS AGREED

That the Work Programme 2021/22 be noted and that the following item be added for the 17th March 2022 meeting;

-Internal Audit Plan 2022/23

26. External Auditor Appointment

Georgia Jones and Helen Stevenson left the meeting and did not take part in this item.

Ian Evenett reported on proposals for appointing the external auditor to the Council for the accounts for the 5 year period 2023/24 -2027/28.

IT WAS AGREED

THAT Full Council be recommended that the Council accepts the Public Sector Audit Appointments` (PSAA) invitation to opt into the sector-led

Option for the appointment of external auditors to principal local government and police bodies for 5 financial years commencing 1 April 2023.