

**AUDIT & GOVERNANCE COMMITTEE**  
**Tuesday 2<sup>nd</sup> March 2023**

**PRESENT** – Dave Harling (in the Chair) Councillors Baldwin and, Imtiaz.

**OFFICERS** – Colin Ferguson (Head of Audit & Assurance) Simon Ross, ( Head of Finance) Jenny Bradley (Finance Manager) Mohsin Mulla (Business Manager) and Phil Llewellyn (Corporate & Democratic Lead),

The Councils Auditors- John Farrar and Gareth Winstanley (Grant Thornton).

**RESOLUTIONS**

**25. Welcome and Apologies**

The Chair welcomed everyone to the meeting.

**26. Minutes of the meeting held on 29<sup>th</sup> November 2022**

The Minutes of the meeting held on 29<sup>th</sup> November 2022 were submitted for approval.

**RESOLVED** – That the Minutes of the meeting held on 29<sup>th</sup> November 2022 be approved as a correct record and signed by the Chair.

**27. Declarations of interest**

No Declarations of interest were made by members of the Committee.

**28. Significant Partnerships Register 2022/23**

Mohsin Mulla presented a report which provided Members with an update on the Significant Partnerships Register for 2022/23, which identified all the significant partnerships that involved the local authority as per the Audit & Governance Committee's Terms of Reference.

The Significant Partnerships Register was attached at Appendix 1 and Members were asked to review and approve the document.

**RESOLVED-** That the Significant Partnerships Register be approved.

**29. External Audit – Audit Committee Progress Report**

John Farrar and Gareth Winstanley presented a report with an update on the work of Grant Thornton since the last meeting.

In terms of the Financial Statements Audit 2020/21, this was nearing completion, although there was one area in particular to be resolved, relating

to the Council accounting for its interest in Blackburn Shopping Centre. Discussions were ongoing and it was expected the audit report would be issued ahead of the June meeting.

Work on the Financial Statements Audit 2021/22 was progressing well, with no significant matters that needed to be brought to the attention of Members at present.

In relation to Value for money – the 2020/21 Auditor's Annual Report had previously been issued as a draft, and would be finalised at the same time as the Financial Statements, Work was ongoing on the 2021/22 Annual Report.

Work had concluded on the Council's annual Housing Benefit Subsidy claim, with the report to DWP issued ahead of the deadline. The claim had been amended for one minor issue, but had no impact on the overall subsidy received by the Council.

### **RESOLVED –**

That the report be noted.

### **30. Treasury Management Report – October 2022 –December 2022**

Jenny Bradley presented a report which contained monitoring information for the Treasury Management function for the period 1<sup>st</sup> October 2022 to 31<sup>st</sup> December 2022.

The report summarised the interest rate environment for the period and the borrowing and lending transactions undertaken, together with the Council's overall debt position, as well as position against Treasury and Prudential Indicators established by the Council.

The Treasury Management Strategy for 2023/24 was also submitted, which was due to be presented to Executive Board for approval on 9<sup>th</sup> March 2023.

### **RESOLVED – That the Audit and Governance Committee:**

- 1.1. Notes the Treasury Management position for the period; and
- 1.2. Notes the Treasury Management Strategy for 2023/24 which is due to be presented to Executive Board for approval on 9<sup>th</sup> March 2023.

### **31. Audit & Assurance – Progress & Outcomes to January 2023**

Colin Ferguson presented a report which informed Committee Members of the achievements and progress made by Audit & Assurance in the period from 1<sup>st</sup> November 2022 to 31<sup>st</sup> January 2023.

The report advised that in terms of the National Fraud Initiative, the Council took part in a bi-annual data matching exercise, administered by the Cabinet Office. Having submitted all the required datasets on time the Council had

recently received the output from these reports. In total, 5,911 data matches have been received. Appropriate action would now be taken to review and progress these data matches, in liaison with colleagues in relevant departments. Committee Members would be provided with progress updates in due course.

The report also gave information on the 14 audits completed and finalised since the last Committee, as well as highlighting Internal Audit performance for the latest period.

**RESOLVED** – That the outcomes achieved to January 31<sup>st</sup> 2023 against the annual audit and assurance plan 2022/23 be noted.

### **32. Audit & Assurance Plan 2023/24 and Internal Audit Charter**

Members received a report advising of the planned Audit & Assurance work for the forthcoming year.

The Internal Audit Charter was also submitted for approval, which was a requirement of the PSIAS, which became mandatory from 1 April 2013. The Charter was last re-approved at the Audit & Governance Committee meeting in March 2022. The Charter had been reviewed and no changes are deemed necessary for 2023/24.

#### **RESOLVED –**

That the Audit & Governance Committee:

- : • approve the 2023/24 Annual Audit & Assurance Plan and supporting Statement and draft two year Strategic Audit Plan (as set out in Appendices 1,2 and 3);
- approve the Internal Audit Charter (as set out in Appendix 4);
  - note that reports dealing with both progress against the Plan and outcomes achieved will be submitted to each meeting; and
  - note that Plan changes will be reported during the year.

### **33. Risk Management – Quarter 3 Review**

Colin Ferguson presented a report which detailed the risk management activity that had taken place in the period from 1<sup>st</sup> October 2022 to 31<sup>st</sup> December 2022.

As of 31<sup>st</sup> December 2022, there were 20 open risks, which were summarised in Appendix 1 of the report, with the top corporate risks being:

- Risk Ref 1 - Failure to deliver a balance budget and Medium Term Financial Strategy, which may result in a Government Commission taking control of the Council's finances;
- Risk Ref 14 - A high profile serious or critical safeguarding case that is known to the Council services, in light of Covid-19 working arrangements;

- Risk Ref 17 – Cyber security failures leading to financial, data loss, or disruption to services from compromise of the IT network or systems.
- Risk Ref 18 - Insufficient budget for service delivery if MTFS income targets from the Growth Agenda are not met; and
- Risk Ref 24 - Failure to respond effectively and proportionately to develop and implement plans/adaptations, within the scope of the Council's control and influence, in pursuit of its ambition to be a Carbon Neutral Borough.
- Risk Ref 28 – The risk to the delivery of public services as a result of ongoing industrial unrest and strike action in the NHS and affecting other key partners and sectors may have on public services.

Members were reminded that as part of the Council's Risk Management process, corporate risks were reviewed and monitored on a regular basis to ensure that the Council had appropriate, properly assessed corporate risks identified going forward. The Corporate Leadership Team (CLT) reviewed the risk details as part of the Management Accountability Framework reporting arrangements, as well as the on-going review and update of the risks by the designated risk owners and key contacts.

**RESOLVED -**

1. That the risk management activity during this period be noted; and
2. That Corporate Risk 25 be reviewed in the session directly before the September meeting (The impact that the cost of living crisis may have on local businesses and residents, and the implications that this may have on Council staff, services and budgets).

**34. Audit & Governance Committee – Effectiveness Self Assessment**

Members received a copy of the Practical Guidance for Local Authority and Police Audit Committees published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This included a good practice self-assessment checklist and toolkit to evaluate a Committee's effectiveness against the principles set out in CIPFA Position Statement.

The checklist and evaluation had been completed by the Head of Audit & Assurance on behalf of the Committee and were presented for the Committee's consideration. The results of each of these assessments were set out in appendices to the report.

It was reported that the Council's Audit & Governance Committee arrangements were largely compliant with the recommended guidance. The only areas where full compliance could not be provided were:

- Question 6: The Committee membership Includes at least two coopted independent members to provide appropriate technical expertise; and

- Question 19: The Audit & Governance Committee had not obtained feedback from others interacting or relying on its work.

The Constitution had recently been updated to allow the Committee to appoint two non-voting co-opted independent members to its membership. Arrangements to appoint these members would be progressed during 2023.

Members discussed the report, in particular previous best practice recommendations about the recruitment of Independent Members to the Committee, which was an ongoing discussion, but would be progressed.

It was noted that the Committee's Annual Report was presented to Full Council for consideration, along with the minutes from the previous year's meetings. This presented an opportunity to obtain feedback on the Committee's performance from Councillor colleagues at least annually.

**RESOLVED -**

That that the Committee consider that the results of the assessment now submitted to be evidence to confirm the Committees effectiveness and that it is operating in accordance with best practice.

Signed: .....

Date: .....

Chair of the meeting  
at which the minutes were confirmed