

AUDIT COMMITTEE

6.10 P.M.

23RD NOVEMBER 2022

PRESENT:- Councillors Paul Stubbins (Chair), Sally Maddocks, Geoff Knight, Jean Parr and Peter Yates

Apologies for Absence:

Councillor Abbott Bryning

Officers in attendance:

Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Luke Gorst	Head of Legal Services and Monitoring Officer
Louise Cobain	Head of Internal Audit
Fiona Hill	Engagement Manager
Liz Bateson	Principal Democratic Support Officer, Democratic Services
Phillip Abel	Democratic Support Officer
Claire Helme	Democratic Support Officer

19 APPOINTMENT OF VICE-CHAIR

The Chair requested nominations for the position of Vice-Chair of the Audit Committee for the municipal year 2022/23.

It was proposed by Councillor Geoff Knight and seconded by Councillor Sally Maddocks:

“That Councillor Peter Yates be appointed Vice-Chair of the Audit Committee for the municipal year 2022/23”.

There being no further nominations, the Chair declared the proposal to be carried.

Resolved:

That Councillor Peter Yates be appointed Vice-Chair of the Audit Committee for the municipal year 2022/23

20 MINUTES

The minutes of the meeting held on 20th July 2022 were signed by the Chair as a correct record.

21 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIR

There were no items of urgent business.

22 DECLARATIONS OF INTEREST

There were no declarations of interest.

23 INTERNAL AUDIT PROGRESS REPORT

Fiona Hill, Internal Audit Engagement manager, presented the Internal Audit Progress Report which advised members of the latest monitoring position regarding the 2021/2022 and 2022/2023 Internal Audit plan. The progress report covered the period from May 2022 to November 2022.

Members commended the Internal Auditors for the work done to date and the Audit Engagement Manager and Chief Financial Officer responded to questions with regard to the information contained on the chart provided in Appendix D (to the report) and on the status of the HR Assurance and Apprenticeships reviews.

Resolved:

That the latest monitoring position in relation to the 2021/22 and 2022/23 Internal Audit plans be noted.

24 CODE OF CORPORATE GOVERNANCE

The Monitoring Officer introduced a report which sought members' approval of a Local Code of Corporate Governance. This was prepared in accordance with the 7 core principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*.

The Committee then asked questions about how this Code would relate to the Council's Complaints and Performance Management policies which were answered by the Monitoring Officer and Chief Financial Officer.

It was then proposed by Councillor Geoff Knight and Seconded by Councillor Paul Stubbins:

"That the Local Code of Corporate Governance be approved as drafted."

This motion was carried unanimously.

Resolved:

That the Local Code of Corporate Governance be approved as drafted.

25 AGS ACTION PLAN MONITORING

The Monitoring Officer provided Members with an update on the Action Plan referred to in the Annual Governance Statement in connection with those issues identified in the AGS categorised as "Other Governance Issues."

The Committee asked for clarification on the choice of issues covered in the report and for additional information on the issue identified concerning the use of electronic signatures. Answers were provided by the Monitoring Officer and Chief Financial Officer.

Resolved:

That the progress and steps yet to be taken on the Annual Governance Statement Action Plan be noted.

26 STRATEGIC RISK MANAGEMENT UPDATE

The Chief Finance Officer presented a report of the Chief Executive that provided an update on the authority's progress in updating the Strategic Risk Register.

The Strategic Risk Register (as of November 2022) was appended to the report for the Committee's consideration.

Members then discussed the updated Risk Register and asked questions on the included Risk Map, the scope of the risks included in the report, if there were supplementary levels of reporting available for designated Action Plan Owners and how risks were re-assessed as circumstances change. These questions were answered by the Chief Financial Officer.

Resolved:

That the updated Strategic Risk Register be noted.

27 STATEMENT OF ACCOUNTS UPDATE

The Chief Financial Officer (CFO) presented a report to provide the Committee with an updated position regarding the conclusion of the 2019/20, 2020/21 and 2021/22 Statement of Accounts.

The CFO advised the Committee that the status of the Statement of Accounts audits remained broadly unchanged from previous updates and then provided a summary of the outstanding issues relating to each set of accounts.

The CFO also informed the Committee that at the conclusion of the Public Sector Audit Appointments (PSAA) procurement exercise, KPMG had been provisionally appointed as the Council's external auditor for the 5-year period 2023/24 to 2027/28. Councillors were asked to note that this appointment was still provisional and formal confirmation will be provided by PSAA Ltd on or before 31st December 2022.

Resolved:

The Committee noted:

- (1) The progress of the audit of the 2019/20, 2020/21 & 2021/22 Statement of Accounts, and;
- (2) Public Sector Audit Appointments Ltd's provisional appointment of the Council's external auditor for the 5-year period 2023/24 to 2027/28.

28 EXTERNAL AUDIT PLAN: YEAR ENDING 31 MARCH 2022

The Chair informed Members that this item had been deferred due to the report not being submitted and invited the External Auditor, Paul Hewitson, who was virtually present at the meeting to provide a verbal update on the progress of the External Audit Plan.

The External Auditor advised the Committee that the plan was not currently in a position to be presented as it was felt that at this stage it would not be possible to provide an accurate representation of the scheme of work to be undertaken and that providing an inaccurate report would be inappropriate.

The Chair expressed concerns over the compressed timeline which must be worked to in order to meet the longstop deadline of 31st March 2023 and asked the External Auditor about the arrangements in place to meet the deadline.

The External Auditor acknowledged the challenge of meeting the deadline and provided details of the work that was booked to conclude the ongoing issues with the closure of the outstanding accounts.

The Chair also drew attention to there being only one additional Audit Committee meeting before not only the deadline but also the end of this Council's municipal term. In view of this the External Auditors were requested to share information on an ongoing basis with the Chair and Chief Financial Officer.

Chair

(The meeting ended at 7.10 p.m.)

**Any queries regarding these Minutes, please contact
Democratic Services - email democracy@lancaster.gov.uk**