

AUDIT COMMITTEE

6.10 P.M.

24TH NOVEMBER 2021

PRESENT:- Councillors Paul Stubbins (Chair), Geoff Knight (Vice-Chair), Abbott Bryning, Darren Clifford, Oliver Robinson and Peter Yates

Officers in attendance:

Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Louise Cobain	Head of Internal Audit
Jayne Wainwright	Engagement Manager
Sarah Moorghen	Democratic Support Officer

Also in attendance:

Paul Hewitson	Deloitte LLP
Caroline Jaimeson	Deloitte LLP

20 MINUTES

The minutes of the meeting held on the 21st July 2021 were signed buy 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 STATEMENT OF ACCOUNTS UPDATE

The Chief Finance Officer (CFO) presented a report which sought to provide Members with an update on the progress of the external audit of the Council's 2019/20 and 2020/21 Financial Statements.

The Committee was advised that the Council was required to prepare a Statement of Accounts for each financial year which must be prepared in accordance with statutory timelines and accounting practices.

The CFO advised Members that the External Auditors had presented their ISA 260 Report to the Committee at its 21st July 2021 meeting which detailed the matters arising during the 2019/20 audit. Whilst there remained some areas of the audit outstanding there were no further issues to report.

The Committee was informed that the External Auditors had responded directly to 2 complaints who raised objections to the 2019/20 Statement of Accounts providing each with a statement of reasons for not issuing a Public Interest Report in respect of the matters raised.

It was reported that the Statement of Accounts 2020/21 was still at the early stages of the audit but so far, no significant issues had been raised.

The Committee was informed that the External Auditor had received notification of 1 formal objection to items contained within the 2020/21 Financial Statements.

The Committee asked a number of questions in relation to the objections, the timescales for completion and the cost implications of the delays.

Resolved:

That the progress of the audit of the Statement of Accounts for the years ended 31st March 2020 and 31st March 2021 be noted.

24 INTERNAL AUDIT PLAN 2021-2022

The Chief Finance Officer presented a report for the consideration and approval of the draft Internal Audit plan priorities for the remainder of 2021/22.

That Chair welcomed Jayne Wainwright and Louise Cobain from Mersey Internal Audit Agency to the meeting.

The Committee was advised that in October 2021 the Council had procured Mersey Internal Audit Agency (MIAA) to enable it to fulfil its statutory obligations until May 2022. Given the time constraints, it had been agreed with the s.151 Officer that for 2021/22 the risk assessment would focus upon mandated and core assurances and priority areas highlighted within the 2020/21 Annual Governance Statement.

To deliver the work programme MIAA propose to supply 200 days between December 2021 and May 2022 at a fee of £72,385.

The proposed Internal Audit Plan was appended to the report for consideration by the Committee.

Resolved:

That the draft audit plan priorities for the remainder of 2021/22 be approved and that it be noted that further development of the plan is required to ensure an overall audit opinion can be delivered as at the 31 March 2022, as set out in Appendix A of the report.

**25 ARRANGEMENTS FOR THE TENDERING OF EXTERNAL AUDIT SERVICES
2023/24 - 2027/28**

The Chief Finance Officer (CFO) presented a report which informed the Committee of an invitation from Public Sector Audit Appointment (PSAA) Ltd to join the national scheme for the procurement of external audit services with effect from the financial year 2023/24.

The External Auditors left the meeting at this point.

The CFO advised the Committee that the Council currently opts into the national arrangement to secure external audit services and that the current contract was due to

expire in 2022/23. The arrangement was now due for re-tender and PSAA was currently undertaking a procurement exercise for the next appointing period, covering audits for 2023/24 to 2027/28.

The Committee was advised that the deadline for responding to the invitation was 11th March 2022 and, the decision to opt-in must be taken by the Full Council.

It was proposed that this matter be considered in more detail by the Audit Committee in January 2022, with a view to making a recommendation to Council on 23rd February 2022.

Resolved:

- (1) That the requirement for the Council to appoint an External Auditor for the audit of the Statement of Accounts for 2023/24 to 2027/28, no later than December 2022 be noted;
- (2) That the requirement to notify PSAA Ltd of the Council's decision as to whether to opt-in to the national procurement process no later than 11th March 2022 be noted;
- (3) That a further report on this matter be presented to this Committee in January 2022 (date to be confirmed) with a view to making a recommendation to Council on 23rd February 2022.

Chair

(The meeting ended at 6.45 p.m.)

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