

## **ACCOUNTS AND AUDIT COMMITTEE**

**22 MARCH 2022**

### **PRESENT**

Councillor B. Brotherton (in the Chair).

Councillors C. Boyes, G. Carter, J. Lloyd (Vice-Chair) and R. Thompson; and Mrs. J. Platt.

#### In attendance

Head of Financial Management (Mr. D. Muggeridge),  
Audit and Assurance Manager (Mr. M. Foster),  
Chief Digital Officer (Mr. P. James) (part only),  
Governance Officer (Mr. J.M.J. Maloney).

#### Also In Attendance

Ms. K. Murray (Mazars).

### **APOLOGIES**

Apologies for absence were received from Councillors M. Cordingley, W. Hassan, D. Jerrome and A. Mitchell.

### **47. QUESTIONS FROM MEMBERS OF THE PUBLIC**

It was noted that there were no questions to be referred to the current meeting.

### **48. DECLARATIONS OF INTEREST**

No declarations were made by Members of the Committee.

### **49. MINUTES**

RESOLVED – That the Minutes of the Meeting held on 2<sup>nd</sup> February 2022 be approved as a correct record and signed by the Chair.

### **50. 2021/22 ANNUAL GOVERNANCE STATEMENT - APPROACH / TIMETABLE**

The Head of Governance submitted a report which set out the action plan / timetable to ensure compliance with the production of an Annual Governance Statement for 2021/22. The preparation and publication of such a Statement was necessary to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit Regulations 2015. It was noted that, in facilitating the production of the Statement, the guidance issued by CIPFA / SOLACE in April 2016 would be used as a reference point during the process.

RESOLVED -

(1) That the timetable / action plan be noted.

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- (2) That it be noted that the Committee would have input into reviewing a draft version of the Annual Governance Statement prior to it being finalised and signed off by the Chief Executive and Leader of the Council.

### **51. AUDIT PROGRESS REPORT**

Karen Murray was in attendance on behalf of the Council's external auditor, Mazars, to draw Members' attention to key features of their current external audit. Work covering the financial year 2020/21 was essentially complete; planning for the 2021/22 audit was well under way, and it was intended to refer the Audit Strategy Memorandum to the Committee's next meeting. The Committee's attention was drawn to a number of useful information sources and documents, in particular in relation to ongoing consultation on the Accounting Code of Practice and Cyber Security good practice, both of which featured elsewhere on the agenda.

RESOLVED – That the content of the report be noted.

### **52. BUDGET MONITORING REPORT 2021/22 - PERIOD 10 (APRIL 2021 - JANUARY 2022)**

The Head of Financial Management introduced a report of the Executive Member for Finance and Governance and the Director of Finance and Systems which informed Members of the current 2021/22 forecast outturn figures relating to both Revenue and Capital budgets. It also summarised the latest forecast position for Council Tax and Business Rates within the Collection Fund. It was noted that the report had been recently considered by the Executive. Details were given of the key variance factors which had contributed to what was now a favourable year-end projection.

An opportunity was provided for Members to raise comments on the report's content. These focussed on: the implications of rising interest rates for the Council's investment assets; the reasons for, and impact of, vacancy rates, particularly in social care; the extent of slippage in the capital programme; expectations in respect of CCG contributions in respect of hospital discharges; and measures to address the deficit on the Education High Needs Block. It was noted that further information was to be provided outside the meeting on deferred capital programme schemes and intentions in respect of the highways structural maintenance programme; and the suggestions were noted that the findings of a capital programme review, and comments of the Executive on the High Needs Block, be brought to the Committee in due course.

RESOLVED – That the updated positions on the revenue budget, collection fund and capital programme, and the observations now made by Members, be noted.

**53. ACCOUNTING CONCEPTS AND POLICIES**

The Executive Member for Finance and Governance and Director of Finance and Systems submitted a report which explained the accounting concepts and policies that would be used in preparing the 2021/22 annual accounts, it being noted that there were no material changes to the Accounting Policies for 2021/22. The report was made annually to the Committee, and was designed to secure the identification and deployment of best practice. Members were asked to note in particular the position in relation to IFRS 16 on leasing arrangements, and on requirements in relation to the valuation of assets.

RESOLVED -

- (1) That the accounting concepts and policies that will be used in completing the 2021/22 annual accounts be approved.
- (2) That the changes in accounting standards issued but not yet adopted until 2022/23 in respect of accounting for leases be noted.
- (3) That the potential for changes to the accounting policies for 2021/22, pending the outcome of the emergency consultation on amendments to the Accounting Code, be noted.

**54. AUDIT AND ASSURANCE SERVICE - INTERNAL AUDIT OPERATIONAL PLAN 2022/23**

The Audit and Assurance Manager submitted a report which provided, at a high level, the proposed Internal Audit Operational Plan for 2022/23. The report set out planned work for the year, acknowledging that this remained flexible and subject to review as needed during the year. It was noted that there had been some variations to planned work in 2021/22, partly due to the COVID-19 pandemic, and that plans for the year ahead took account of both new areas for review and some work deferred to 2022/23. The report also included, in the appendices, the Internal Audit Charter and Strategy, which had been previously reviewed by CLT and the Accounts and Audit Committee and were unchanged from the versions agreed in March 2021.

An opportunity was provided for Members to raise questions in relation to the report's content. These focussed on intentions in respect of audit coverage of home to school transport and aids and adaptations, and the availability and deployment of audit capacity compared to previous years.

RESOLVED – That the 2022/23 Internal Audit Plan be approved.

**55. STRATEGIC RISK REGISTER 2021/22 (MARCH 2022 UPDATE)**

The Audit and Assurance Manager submitted a report which presented for Members' consideration an update on the strategic risk environment, setting out developments relating to the management of each of the Council's strategic risks. It was noted that the current version had been agreed by the Corporate Leadership Team earlier in the month, and had identified a lower overall risk level in relation to the safeguarding of adults.

In discussion, it was noted that all the risks identified were kept under current review, not least in relation to Covid-19, and the potential implications of the current geopolitical situation for cyber security and pressure on school places. In response to a query, it was noted that the next update to the Committee could focus on performance and implications in relation to the processing of Freedom of Information requests.

RESOLVED – That the content of the report be noted.

**56. ACCOUNTS AND AUDIT COMMITTEE WORK PROGRAMME 2021/22**

The Audit and Assurance Manager submitted a report which set out the work plan for the Committee for the 2021/22 municipal year i.e. items covered during the year, including the March 2022 meeting. It outlined areas considered by the Committee at each of its meetings over the period of the year. The programme had assisted in ensuring that the Committee had met its responsibilities under its terms of reference and maintained focus on key issues and priorities as defined by the Committee; and a summary would be included in the forthcoming Annual Report. It was noted that issues arising from the current meeting would be taken into account in drawing up the programme for the forthcoming year.

RESOLVED – That the 2021/22 work programme be noted.

**57. URGENT BUSINESS (IF ANY)**

(a) Council Tax Billing

[Note: The Chair agreed to permit consideration of this item as Urgent Business in order for prompt information to be made available to Members and their constituents.]

In response to a query regarding an apparent anomaly in an aspect of the presentation of Council Tax bills, it was noted that a standard response was available, and that it would be circulated for information to all Members of the Committee.

**58. EXCLUSION RESOLUTION**

RESOLVED - That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of “exempt information” which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

**59. CYBER SECURITY PRESENTATION**

The Chief Digital Officer was in attendance to deliver to Members a presentation which focussed on key current aspects of the Council’s cyber security. It covered the cyber security environment, risks and threats and their consequences, key principles of security, risk mitigation measures, sources of advice and assistance, and the work being undertaken in response to audits of cyber security.

In discussion, Members reviewed and raised questions regarding a number of the key current issues highlighted during the course of the presentation. These were noted by the officers, and Members were advised that a further update would be made to the Committee in due course.

RESOLVED – That the content of the presentation, and issues raised by Members, be noted.

The meeting commenced at 6.30 p.m. and finished at 8.05 p.m.