

Attendance

Members of the Audit and Risk Committee

Cllr Alan Butt (Chair)
Cllr Jonathan Yardley (Vice-Chair)
Cllr Mary Bateman
Cllr Philip Bateman MBE
Cllr Craig Collingswood
Cllr Roger Lawrence
Cllr Barbara McGarrity QN
Cllr Lynne Moran
Mike Ager
John Humphries

Employees

Ian Cotterill	Audit Business Partner
Peter Farrow	Head of Audit
Jas Kaur	Democratic Service Manager (Host)
Claire Nye	Director of Finance
David Pattison	Director of Governance
Hayley Reid	Senior Auditor
Kirsty Tuffin	Democratic Services Officer
Mark Wilkes	Audit Business Partner
Emma Bland	Finance business Partner
Alison Shannon	Chief Accountant

External Auditors, Grant Thornton

Mark Stocks
Nicola Coombe

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
There were no apologies for absence received.
- 2 Declaration of interests**
Councillor Roger Lawrence declared an interest as a Director within Birmingham Airport and honouree research fellow at the University of Wolverhampton.

3 **Minutes of the previous meeting - 29 July 2020**

That the minutes of the previous meeting held on 29 July 2020 be approved as a correct record.

4 **Matters arising**

There were no matters arising from the minutes of the previous meeting.

5 **Update on the audit of the Statement of Accounts**

Mark Stocks, representative from Grant Thornton, presented the report on the statutory audit of the Council's financial statements for the year ended 31 March 2020, including key findings to date.

The Committee were advised that the deadline for submission of the audited Statement of Accounts had been extended by Government to 30 November 2020 due to the pandemic. An 'Emphasis of Matters' would be included in the report and the impact on valuations due to the pandemic was explained to the Committee. No concerns were raised by Grant Thornton due to the City of Wolverhampton Council's adequate reserves in funding.

Following questions raised on the impact of the pandemic on the Pension Fund, the Committee were advised that as at end of 31 March 2020, valuations had not been impacted at the time of valuation and checks in regard to court cases and possible disclaimers required would be looked into.

The Committee were advised that external auditors and valuations were sourced externally in some cases to ensure that CIPFA standard and independent reporting be achieved in a cost-effective way. It was recommended that the Redmond Review be discussed at a future meeting. It was agreed that an additional meeting be arranged, if required, to discuss the Statement of Accounts.

Resolved:

1. That the Audit Findings Progress Report provided by Grant Thornton be noted.
2. That it be agreed that an additional meeting be arranged, if required, to discuss the Statement of Accounts.

6 **Covid-19 and Strategic Risk Register Update**

Hayley Reid, Senior Auditor, presented the update on the Strategic Risk Register and a Covid-19 Risk Register.

The Committee were advised that since the covid risk register was last brought to Committee there were now 20 risks the Council faced as a result of the pandemic. All risks had been RAG rated with 7 highlighted red and 13 amber.

Following discussions of Risk 12 'Employee Wellbeing', the Committee were advised that Mental Health first aiders were available for employees and safe places of work had been made available for employees struggling at Hickman Avenue and Civic Centre. It was agreed that David Pattison would bring a report to the next Committee on what the Council is doing in regard to employee mental health and wellbeing, safe places to work including the Civic Centre and Hickman Avenue and work conducted with Partners to ensure a resilient system had been in place for individuals including students from college and universities.

With regards to Covid Risk – 1 Budgetary Pressure 2020-21, the Committee were advised that the Government had provided the Council with £90million in general grants to help relieve initial pressures and loss of incomes and provided a way to claim back any loss of fees and charges. This had been adequate for the financial year 2020 however, the loss of council tax and business rates would affect the next financial year and the Council would be lobbying the Government for help on the loss. Confirmation of the Council's allocated funding for the next financial year would not be provided until December 2020 which the Committee would be kept up to date on.

Resolved:

1. That the Council's Covid-19 risk register which details the risks faced by the Council as a result of the Covid-19 pandemic, as at Appendix 1, be noted.
2. That the latest summary of the Council's Strategic Risk Register, as at Appendix 2, be noted.
3. That it be agreed that David Pattison bring a report on what the Council is doing in regard to employee mental health and wellbeing, safe places to work including at the Civic Centre and Hickman Avenue and work conducted with Partners to ensure a resilient system had been in place for individuals including students from college and universities.

7 **Audit and Risk Committee - Annual Report**

The Chair asked the Committee to endorse the report which summarised the principal areas of work undertaken by the Committee during 2019/2020. The annual report would be presented to the Council.

Councillor Philip Bateman MBE commented that the Committee had undertaken a lot of good work during the last Municipal Year and the need for this to be reflected in the annual report. He also highlighted the valued contributions made during the year by the two independent members on the Committee. It was agreed that the report be updated to bring to the fore these issues. It was also agreed that the updated annual report would be circulated to members for information, but that authority would be delegated to the Chair to take it to Full Council.

The Chair thanked all Members on the Committee and the audit team for their diligence and the work done throughout the year.

Resolved:

1. That the Audit and Risk Committee Annual Report for 2019-2020 be updated and circulated to Members, with authority delegated to the Chair to then take it to Full Council for approval.

8 **Internal Audit Update**

Peter Farrow, Head of Audit presented the report on the progress made against the 2020 - 2021 internal audit plan and provided information on recent work that had been completed.

The Committee were advised that all key financial system audits had been completed for the 2019/2020 Internal Audit Plan as per the report. Three other outstanding audits had also been completed and work had commenced on the

2020/2021 internal audits. Due to the pandemic the internal audit plan had been updated to reflect the changes and work was underway with Directors to highlight key risk areas in order to focus limited resources in those areas. The Committee would be kept updated on any changes to the internal audit plan.

Resolved:

1. That the contents of the latest internal audit update be noted.

9 **Internal Audit Charter - Annual Review**

Peter Farrow, Head of Audit presented the Internal Audit Charter for review and approval. The document had last been reviewed by the Committee in September 2019 and there had been no changes since that time.

Resolved:

1. That the internal audit charter be approved.

10 **Counter Fraud Update**

Mark Wilkes, Audit Business Partner presented the update report on current counter fraud activities undertaken by Audit Service since the last meeting.

The Committee were advised that the Council had been responsible for the allocation of small business grants, discretionary grants and hospitality grants by Government to assist with the impact of the pandemic. Reasonable steps were taken to try and prevent fraud which included; using Government recommended 'Spotlight' RAG rating tool and NFI to run background checks and validate data on those applying for the grants. Online checks were also conducted to ensure the businesses were in operation in March 2020 and bank accounts were checked. Over 4,000 applications for the grants were received, 180 were rejected.

Government had indicated that a post payment checking regime should be put in place. Therefore, the Council had created a post payment assurance framework which would look into key areas of risk and concern and if it was found that any money may have been incorrectly paid to businesses, attempts would be made to claw it back.

Resolved:

1. That the current position regarding the counter fraud work undertaken on the business support grants introduced by the Government in response to Covid-19, and the Cabinet Office's latest National Fraud Initiative report be noted.

11 **Payment Transparency**

Peter Farrow, Head of Audit, presented the report on the Council's current position with regards to the publication of all its expenditure.

The Committee were advised that no armchair auditor requests had been received in the last quarter.

Resolved:

1. That the Council's current position with regards to the publication of all its expenditure be noted.