

Attendance

Members of the Audit and Risk Committee

Cllr Alan Butt (Chair)
Cllr Jonathan Yardley (Vice-Chair)
Cllr Mary Bateman
Cllr Phillip Bateman MBE
Cllr Craig Collingswood
Cllr Clare Simm
Cllr Milkinder Jaspal
Mike Ager

Conservative

Cllr Andrew McNeil

Employees

Claire Nye	Director of Finance
David Pattison	Chief Operating Officer
Richard Lawrence	Director of Regeneration
Peter Farrow	Head of Audit
Ian Cotterill	Audit Business Partner
Mike Wilkes	Audit Business Partner
Fabrica Hastings	Democratic Services Officer
Jaswinder Kaur	Democratic Services Manager

In attendance

Jon Roberts Grant Thornton

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
There were no apologies for absence.
- 2 Declaration of interests**
There were no declarations of interest made.
- 3 Minutes of previous meeting**
That the minutes of the previous meeting held on 27 September 2021 be approved as a correct record.
- 4 Matters arising**
In response to a query raised regarding, the progress to recruit an Independent Member, to the Audit and Risk Committee. The Committee were advised that one

application, had been received and the candidate would be interviewed, and the process would be completed by the next scheduled meeting in 2022.

5 Annual Governance Statement - 6 months update

David Pattison, Chief Operating Officer, presented the Annual Governance Statement - 6 months update, that gave an overview of the progress made to action good practice and to ensuring adequate assurance is in place at the Council.

The Committee were advised that good governance remained in place, and that consistent regular checks would take place, to provide assurance. The Corporate Code of Governance was being updated and would be scheduled for adoption early in 2022, subject to approval at the Governance and Ethics Committee.

The Finance team would be setting the budget for 2022-2023 and a detailed Annual Governance Statement for 2022-2023, would be presented to the Committee in the new year.

Resolved:

1. That the contents of the mid-year update re the Council's Annual Governance Statement for 2021-2022 be approved.

6 Financial Management Code – update

Claire Nye, Director of Finance, presented the Financial Management Code – update, that detailed the improvements made to ensure the Councils financial resilience and the compliance required for the next financial year.

The Committee were advised that the summary of findings from the initial self-assessment undertaken in June 2021, indicated an overall green rating, which reflects that compliance is being demonstrated in the Councils financial processes.

The Council will continue to demonstrate compliance with the Financial Management Code and further updates would be brought before the Committee later in the year.

Resolved:

1. That the update on the Councils compliance with the CIPFA Financial Management Code following a six-month review be noted.

7 Grant Thornton Progress Report

Jon Roberts, Grant Thornton, presented the Grant Thornton Progress Report that outlined the progress made and future progress.

The Committee were advised on the finalised audit findings report and that the unqualified opinion was received to the Council after the 30 September 2021.

The Committee were advised on the grant claims certified progress including the Teachers' Pension and Housing Benefit Grant claims, that were completed ahead of deadlines with few findings to report to the Committee.

The Government continued to implement the Redmond Review findings with activities/ discussions conducted in December 2021, between Audit Firms and the Minister/ Civil Servants, regarding ideas for improvement and progress.

Claire Nye, Director of Finance, Advised the Committee that the value for money report would be circulated to Members once completed ahead of the March 2022 meeting.

Councillor Craig Collingswood, was pleased that the report identified that the West Midlands Pension Fund, held the highest level of assurance.

Resolved:

1. That the Progress Report and Update provided by Grant Thornton be noted.

8 **Appointment of the External Auditor**

Peter Farrow, Head of Audit, presented the Appointment of the External Auditor report, which was recommending that the Committee seek approval from full Council that the Council opt into the national agreement with Public Sector Auditor Appointments regarding the recruitment of the External Auditors from April 2023.

Resolved:

1. That the invitation from the Public Sector Audit Appointments to opt into the national scheme for auditor appointments from April 2023 be recommended to Council for approval.

9 **Internal Audit Progress Report**

Peter Farrow, Head of Audit, presented the Internal Audit Progress Report that provided the Committee with a summary of the internal audit reviews completed to date, and the levels of assurance assigned to each such review. A narrative was also provided regarding any key issues identified.

The Committee were advised that the school audit visit programme, had been put on hold throughout 2020-2021 as a result of Covid-19, but that they had recommenced from September 2021.

The Audit team had adopted a more continuous audit approach to transaction testing on the Council's key financial systems. A summary report of the year's findings will then be produced at the end of the year and reported to the Committee. However, any significant issues would be flagged with the service area immediately

Resolved:

1. That the contents of the latest internal audit update as at the end of quarter two be noted.

10 **Internal Audit Charter**

Peter Farrow, Head of Audit, presented the Internal Audit Charter report. He outlined the key objectives and responsibilities for the professional practice of Internal Auditing, based around the CIPFA model and relevant legislation. The Committee were advised that equalities issues now form part of the Audit Universe, based on the Councils stance on equalities, and are implicit in a number of audit related activities undertaken during each year.

Resolved:

1. That the annual review of the Internal Audit Charter be approved.

11 **Counter Fraud Update**

Mike Wilkes, Audit Business Partner, presented the Counter Fraud Update. This included details on a range of counter fraud activities undertaken by the Council. That included reference to the work undertaken to recover a small number of Covid business grant payments that had been made to those who were later found not to qualify.

In response to a question raised regarding any identified themes associated with the recovery of the funds back to the Council. He advised that some businesses may have thought they were eligible but weren't based on a matter of interpretation.

In response to a question raised regarding any local or national fraud indicators including around organised crime, the Committee were advised that the Council does receive and consider regular bulletins from the National Anti-Fraud Network (NAFN) and other government bodies and takes these into account in the work it undertakes in this area.

Resolved:

1. That the contents of the latest Audit Services Counter Fraud Update be noted.

12 **Payment Transparency**

Peter Farrow, Head of Audit, presented the Payment Transparency update. He advised the Committee that spend data continues to be published online and that no armchair auditor requests have been received since the last meeting.

Resolved:

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

13 **Strategic Risk Register**

Peter Farrow, Head of Audit, presented the Strategic Risk Register update. He advised that Hayley Reid, had moved to a full-time role as the Regulatory Governance Manager at the West Midlands Pension Fund and would therefore he would present the Strategic Risk Register update to Committee.

The Committee were advised that the format of the Strategic Risk Register, had been amended in order to more clearly identify risk mitigation, actions taken since the previous meeting and where sources of assurance could be obtained. The register is updated on an ongoing basis, in line with the Councils corporate risk management framework. Three risks remained red included;

- Rising Unemployment;
- Social Care Providers - Adults;
- Reputation/ Loss of Public Trust.

Resolved:

1. That the latest summary of the Council's Strategic Risk Register, as per Appendix 1 be noted.

14 **Exclusion of press and public**

Resolved:

1. That in accordance with Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business

as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act.

15

Civic Halls Programme

Richard Lawrence, Director of Regeneration and David Pattison, Chief Operating Officer, presented the Civic Halls Programme report. They provided an overview of the progress and future development of the Civic Halls Programme.

Resolved:

1. That the update on the Civic Halls Programme including construction progress, financial and confidential legal position and governance arrangements be noted.