

4 **Matters arising**

The Chair of the Committee thanked the previous Chair and Members for their contributions. He congratulated and welcomed Armstrong Nghoh, Independent Member, to the Committee.

He advised the Committee of the proposed dates for a tour of the Civic Halls, later scheduled for the 30 June 2022.

5 **City of Wolverhampton Council Audit Plan 2021-2022**

Jon Roberts, Grant Thornton, presented the City of Wolverhampton Council Audit Plan 2021-2022. He provided an overview of the Statutory external audit process. In accordance with the National Audit Office's Code of Audit Practice and in line with the local audit accountability act.

He advised the Committee that the audit plan was based on a risk assessment, the audit attention is tailored around the risks identified and based on planning considerations. The Committee were advised that the risk of fraud revenue expenditure and manipulated expenditure was considered a significant risk from an accounting perspective. Other identified risks included;

- Management Overriding Controls
- Valuation of Land and Buildings
- Valuation of Pension Fund Liability
- Group Governance.

The audit undertaken for 2021-2022, was against the background of post pandemic and therefore, the audit findings included the legacy of the pandemic. Particular themes included;

- Grant / Accounting Agreements for Grants
- Economic Downturn
- Accounting for Infrastructure Assets – National Issue.

The Committee were advised on the key developments for 2022 that included, the Help to Own Arrangements and the Civic Halls Restoration

Grant Thornton would aim to comply with the Governments timetables for audit reports. Set at 30 September for completion which was extended until the 30 November 2023. Information regarding the timetable extension was published by Government in a document called 'Measures to improve Local Audit Delays'.

In response to a question regarding remote working. The Director of Finance advised the Committee, that the auditing would be completed onsite to reduce the financial loss.

In response to a question from the Chair regarding accounting for the covid-19 business support grants that the Council had administered on behalf of the Government, Grant Thornton responded that they were being dealt with appropriately within the accounts.

In response to a further question from the Chair, Grant Thornton expanded on the arrangement the Council has with regards to Birmingham Airport.

Resolved:

1. That the City of Wolverhampton Council Audit Plan 2021-2022 be noted.

6 CIPFA Financial Management Code Review

Claire Nye, Director of Finance, presented the CIPFA Financial Management Code Review. She provided members with an overview of the progress since last year and areas for improvement.

She advised that that framework focused on six principles, and that the Council was overall compliant with the CIPFA Code. She advised that monitoring/ delivery of value for money was strengthened at the Council., over the last 12-months. To be able to demonstrate to Councillors by linking performance data to finances in reports. Some other key progress included;

Robust Financial Processes

Monitoring Arrangements

Good Governance

Strong Financial Leadership across the Organisation.

The Committee were advised on the areas for improvement flagged within the report that included financial benchmarking and financial sustainability.

The focus area for development was the procurement and contract management, as key to the delivery of value for money, for the organisation and to the delivery, of the Council's commitment to the Wolverhampton pound.

In response to comments raised by Councillor Appleby, regarding the maintenance of the process in place and time scales, to resolve the amber rated actions. The director of Finance advised that an action plan was under development.

In response to a question raised by Armstrong Ngoh, Independent Member, regarding access to the code guide. The Director of Finance advised that she would provide a copy of the code to members of the Committee, and provide more detail on the highlighted areas within the report to the next meeting.

Resolved:

1. That the CIPFA Financial Management Code Review be noted.

7 Payment Transparency

Peter Farrow, Head of Audit, presented the Payment Transparency update. He advised the Committee that spend data continues to be published online for public inspection 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 its expenditure be noted.

8 Annual Internal Audit Report 2021-2022

Peter Farrow, Head of Audit, presented the Annual Internal Audit Report 2021-2022. He provided the Committee with an overview of the Audit review process for the benefit of the new members in attendance.

He advised the Committee that the cyber security and disaster recovery review was completed at a satisfactory level of assurance.

The Committee were advised that three limited assurance reports were made during the year and had been reported previously to the Committee.

He advised that action was being taken to address the recommendations.

The Head of Audit was able to provide an unqualified opinion, based on a 12- month period. He was confident to give reasonable assurance, that the Council has adequate and affective governance/ internal controls and risk management process in place.

In response to a question raised by the Chair of the Committee regarding cyber security. The Head of Audit advised that the Council was signed up to the National Cyber Security to receive updates on emerging risks. He advised that Jai Ghai, Head of ICT, would provide members with a cyber security update at the next meeting.

In response to a question raised by Armstrong Ngoh, Independent Member, regarding the ICT development and testing. Ian Cotterill, Audit Business Partner, advised the Committee that programme testing/ backup and restore, for all Council systems are practiced regularly.

The Chair of the Committee commented that at future meetings, a risk or risks may be identified by the Committee for a deep dive, and that in such cases, the relevant risk owner would be invited to the following meeting in order to provide further details to the committee on how that particular risk was being managed. The Head of Audit advised that this was considered good practice for the Committee.

The Chief Operating Officer advised the Committee that a report on disaster recovery and local flooding would be bought to the Committee.

Resolved:

1. That the contents of the Annual Internal Audit Report and the overall opinion that “based on the work undertaken during the year, the implementation by management of the recommendations made and the assurance made available to the Council by other providers as well as directly by Internal Audit, Internal Audit can provide reasonable assurance that the Council has adequate and effective governance, risk management and internal control processes” be noted.