

**GATESHEAD METROPOLITAN BOROUGH COUNCIL**  
**AUDIT AND STANDARDS COMMITTEE MEETING**

**Monday, 27 September 2021**

**PRESENT:** Councillor M Charlton (Chair)  
Councillor(s): J Reay, L Green S Green, H Kelly, J McElroy,  
Mr S Bell, Mr G Clark and Mr B Jones (Independent  
Members)

**APOLOGIES:** Councillor(s): R Beadle

**ASC348 MINUTES**

The minutes were approved as a correct record.

**ASC349 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**ASC350 APPOINTMENT OF INDEPENDENT MEMBERS AND INDEPENDENT PERSON**

The Committee were advised that a number of applications have been received for the posts of Independent Members and Independent Person.

Officers will commence the recruitment and selection process in due course with the successful appointments presented to full Council in November 2021 for approval.

Mr George Clark announced that after 16 years as an Independent Person on the Audit and Standards Committee this would be his last meeting and he had enjoyed his time enormously but felt that the time had come to make way for a new Independent Member.

The Committee wished to place upon record, their thanks and appreciation to Mr Clark for his time served on the Audit and Standards Committee and wished him well for the future.

RESOLVED – that the information be noted.

**ASC351 AUDIT COMPLETION REPORT YEAR ENDED 31 MARCH 2021 AND  
GATESHEAD COUNCIL STATEMENT OF ACCOUNTS 2020/21**

The Committee received a report providing an update on the outcome and findings of the audit of Gateshead's Statement of Accounts 2020/21 by the Council's external auditor Mazars.

As a result of COVID-19, the Accounts and Audit (Amendment) Regulations 2021 extended the statutory deadlines for 2020/21. The publication date for final audited accounts moved from 31 July 2021 to 30 September 2021.

The annual audit of the Council's Statement of Accounts and use of resources has now been substantially completed for 2020/21 and the Council's external auditor, Mazars has issued its Audit Completion Report, subject to the completion of outstanding work.

The Audit Completion Report covers:

- The Council's Statement of Accounts including significant findings, internal control recommendations, and a summary of adjusted and unadjusted misstatements;
- The Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. The primary output of Mazars work on the Council's approach to Value for Money is the commentary on those arrangements that form part of the Annual Report. Mazars intend to issue the Annual Report no later than three months after the report on the financial statements is signed.

The external auditor's report was attached at Appendix 1 and the Council's Statement of Accounts (subject to outstanding work) was attached at Appendix 2 for information.

The key messages from the Audit Completion Report was presented to Committee for information.

- RESOLVED -
- i) That the information be noted
  - ii) The Committee noted the contents of the external auditor's Audit Completion Report and any update reports.
  - iii) The Committee noted the Statement of Accounts 2020/21, prior to submission to the Accounts Committee.

## **ASC352 ACHIEVEMENT OF 'GOING CONCERN STATUS' 2020/21**

The Committee received a report to consider the Council's status as a going concern.

The Committee were advised that although the financial context continues to be challenging and uncertain the Council has a track record of meeting its financial obligations and maintaining financial sustainability. In the past 9 years the Council has delivered an outturn within its budget. A Council wide approach to the budget, which is priority driven and over a medium-term planning horizon will ensure that this continues to be the case.

The Annual Audit Letter from Mazars includes a value for money conclusion, which considers the identification, monitoring and achievement of savings. The last letter issued in relation to 2019/20 concluded that the Council had proper arrangements in

place to secure economy, efficiency and effectiveness in its use of resources.

Details of the current position 2020/21, revenue reserves, future position – 2021/22 Budget and Future Position – Medium Term Financial Strategy (MTFS) were tabled for information.

The Committee were advised that based on the assessment undertaken, the Council's Chief Finance Officer (Section 151 Officer) view is that the Council is aware of the Challenges it faces and is prepared to deliver its services in the future taking account of the future known risks and therefore the Council is a going concern and the Statement of Accounts should be prepared on that basis.

- RESOLVED -
- i) That the information be noted
  - ii) The Committee agrees that the Council is considered to be a going concern based on the assessment provided.
  - iii) The Committee agreed that the accounts are prepared and approved on the basis of continued provision of services.

### **ASC353 ANNUAL GOVERNANCE STATEMENT 202/21 - INTERNAL AUDIT REVIEW OF MANAGERS' ASSURANCES**

The Committee received a report informing of the outcome of work by the Internal Audit Service in reviewing the assurances provided by Service Directors to inform the 2020/21 Annual Governance Statement.

Service Directors were asked to build on the work carried out in previous years and complete a self-assessment assurance statement detailing the level of assurance that they felt could place on their key control and governance processes. They were required to state whether they agreed or disagreed that the processes they had in place provided an effective level of assurance. There was also a requirement to detail the evidence to support this assessment. Internal Audit undertake an annual review of the assurance statements to ensure:

- Where key controls are not providing a sufficient level of assurance action has been taken to address these areas.
- Where key controls are providing a good level of assurance, evidence exists to support this assessment.

The 2020/21 Annual Governance Statement audit was carried out using a theme-based approach across the Council. All Service Directors were required to provide evidence to support their declarations made on the Assurance Statement in response to the following questions:

- Data quality and performance management
- COVID-19 assessments and business continuity arrangements

In response to specific questions raised by members of the Committee, additional assurance reviews were also undertaken in relation to succession planning.

The Committee were advised that the audit concluded that systems and controls were operating well and no corporate recommendations have been made.

Some Service specific findings in relation to Data Quality and Performance Management have been addressed directly with the relevant Service Directors.

The overall conclusion of this work is that the systems and processes for the completion of the Managers' Assurances Statement are effective and that they provided a good level of assurance for the 2020/21 Annual Governance Statement.

RESOLVED – That the information be noted.

**ASC354 DATE AND TIME OF NEXT MEETING**

Monday 18 October 2021 at 10.00 am

**Chair.....**