

GATESHEAD METROPOLITAN BOROUGH COUNCIL
AUDIT AND STANDARDS COMMITTEE MEETING

Tuesday, 25 April 2023

PRESENT: Councillor L Kirton (Chair)

Councillor(s): R Mullen, J McElroy, H Kelly, L Green, R Beadle

Independent Member(s): Mr S Bell
Mr I Dormer

ASC435 MINUTES

The minutes were approved as a correct record.

It was confirmed that the amendments to the Treasury Management report picked up at the previous Committee will be amended in the report to Cabinet without any reference as it was not a significant amendment and does not affect the decision.

ASC436 DECLARATIONS OF INTEREST

There were no declarations of interest.

ASC437 EXTERNAL AUDITOR: AUDIT PROGRESS REPORT

The Committee received a report requesting them to note the external auditor's progress in delivering their responsibilities as external auditor and presents for information a summary of recent reports and publications.

The report outlined:

- Audit Progress
- National Publications

The external auditor's report was appended to the main report at Appendix A.

The External Auditor reported that the 2021/22 Accounts have still not been signed off due to outstanding issues with the actuarial valuation of the Pension Fund, which is an issue for all Tyne and Wear Pension Fund authorities and is a national issue. It is not within the gift of either the Council or the External Auditor to resolve.

- RESOLVED -
- i) That the information be noted
 - ii) The Committee requested that a Members Seminar be organised to receive an update on the 'Local Leadership Framework for Councillors' (LGA)

ASC438 INTERNAL AUDIT CHARTER, STRATEGY STATEMENT AND ANNUAL PLAN 2023/24

The Committee received a report which set out the proposed Internal Audit Charter, Strategy Statement Annual Plan of work to be undertaken by the Internal Audit & Risk Service in 2023/24.

The Internal Audit Charter was attached as Appendix A for information. It was last circulated to Committee in April 2022.

The Chief Internal Auditor has carried out an annual review of the Internal Audit Charter and confirmed that it continues to reflect best practice and no amendments are required.

The Audit Strategy Statement and the Annual Plan for 2023/23 was attached at Appendix B.

The audit plan is developed based on a systematic review and evaluation of all aspects of the internal control environment.

The 2023/24 plan includes adequate flexibility to address emerging risks as well as provide assurance in high risk, key financial, IT and governance functions.

The plan for 2023/24 has been broken down into 21,801 productive hours.

Appendix B summarised the plan between Groups and Services and also by audit types. Appendix C broke the plan down into individual audits.

The plan is flexible and includes time for advice and consultancy, which ensures the plan maintains focus on emerging risks and that assurance is continually focused on the most important risks to the Council, retaining flexibility to reprioritise assurance activities as required.

- RESOLVED -
- i) That the information be noted.
 - ii) That the report be noted and the opinion that the Internal Audit Charter continues to comply with Public Sector Internal Audit Standards.
 - iii) The Committee agreed that the Audit Strategy Statement and the Annual Plan of work to be provided by the Internal Audit & Risk Service for 2023/24, and
 - iv) The Committee agreed to receive quarterly monitoring reports showing progress made against the plan.

ASC439 CORPORATE RISK MANAGEMENT 2022/23 - QUARTER 4 UPDATE

The Committee received a report which provided an update on Corporate Risk Management during the period 1 January 2023 to 31 March 2023.

In November 2018, Cabinet and Council approved a revised Strategic Risk Register which had been presented to Audit and Standards Committee on 1 October 2018. The Corporate Management Team has continued to ensure strategic risks are responded to in accordance with the Risk Management Policy, with risks and controls being recorded for inclusion within the Strategic Risk Register.

The Committee were advised that there have been no changes to the Strategic Risk Register in the fourth quarter 2022/23. Activity has recently commenced to research North East regional councils around strategic risk and the approaches taken to link with corporate priorities to inform a review of our own Strategic Risk Register.

The current Strategic Risk Register was attached for information at Appendix 1.

The Committee were advised that all Business Impact Assessments (BIA) have been reviewed bi-annually since the start of the pandemic in March 2020 with the most recent review in November 2022, with the next review planned for action by services during April and May 2023. This exercise uses the agreed corporate Business Continuity Framework to allow Services to assess which activities might require additional support to strengthen resilience and estimate the officer numbers and skills that might be needed as the organisation moves into the spring and summer months.

Business Continuity Plans are revised accordingly to mitigate and, as far as possible, shape the response to any threats to the delivery of key activities with a focus on activity that could not be interrupted for more than 48 hours without critical impact.

Quarterly audit and risk reports are provided to Group Management Teams to highlight the critical activities for which services have developed continuity plans.

The Committee were advised that the Corporate Risk and Resilience Group last met on 18 April 2023. The following items were considered:

- Business Impact Assessment and Business Continuity Plan seasonal refresh
- Cyber Security
- Resilience and emergency planning including an update on a national planned power outages and participation event held in March 2023
- Updates from Groups and Services

RESOLVED - i) That the information be noted
 ii) The Committee were satisfied with the effectiveness of the Council's risk management arrangements

ASC440 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED - That the press and public be excluded from the meeting during the

consideration of the remaining business in accordance with Paragraph 3 of Schedule 12A to the Local Government Act 1972

ASC441 INTERNAL AUDIT PLAN 2022/23 QUARTERLY MONITORING REPORT TO 31 MARCH 2023

The Committee received a report outlining progress made by the Internal Audit & Risk Service against the audit plan for the financial year 2022/23 and summarises the main findings arising from the audit activity throughout the period 1 January 2023 to 31 March 2023.

The Committee received a table for information showing the progress made up to 31 March 2023 against the agreed audit plan for the financial year 2022/23.

The table demonstrated the completion of 92% of the audit plan, in terms of actual audit hours against planned hours to date. Adjusting for the work of external bodies, this equates to 93% for the Council which is below the annual local performance target of 97.25% of actual hours completed against the planned hours for the year. The main reason for being slightly below the target is delays experienced in recruiting to vacant posts.

The Committee received the summary of main findings arising from the audit activity during the period which was attached to the main report at Appendix A. A total of 25 assignments were completed during the period. Of the work completed the conclusion in seven cases was operating well, 15 satisfactory and three significant weakness.

From the reviews carried out to 31 March 2023 audit work was found to be complying with PSIAS and the Audit Manual.

Paragraph 13 of the report set out the key performance information. All targets were achieved or exceeded with the exception of productive or chargeable time which was recorded at 71.5% of overall time against an annual target of 72% of overall time which was due to training of new appointments, the additional bank holiday and higher than anticipated staff absences due to sickness.

RESOLVED – That the information be noted.

ASC442 DATE AND TIME OF NEXT MEETING

Tuesday 20 June 2023 at 4.00 pm in the Whickham Room.

Chair.....