

Minutes of Accounts and Audit

Meeting Date: Wednesday, 29 June 2022, starting at 6.30 pm
Present: Councillor D Berryman (Chair)

Councillors:

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| S Bibby | J Rogerson |
| K Fletcher | R Sherras |
| R Newmark | R Walsh |
| D Peat | |

In attendance: Director of Resources, Head of Financial Services, Internal Audit Manager, Head of Legal and Democratic Services and Sophia Iqbal (Grant Thornton)

148 APOLOGIES FOR ABSENCE

Apologies for absence were received for the meeting from Councillors J Clark, S Fletcher and J Hill.

149 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 6 April 2022 were approved as a correct record and signed by the Chairman.

150 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON REGISTRABLE INTERESTS

There were no declarations of disclosable pecuniary, other registrable or non-registrable interests.

151 PUBLIC PARTICIPATION

There was no public participation.

152 INFORMING THE AUDIT RISK ASSESSMENT 2021/22

The Director of Resources submitted a report informing members of the responses made by management in response to several questions raised by Grant Thornton. The questions covered important areas of the auditor risk assessment where there was a requirement to make inquiries of the Accounts and Audit committee under auditing standards.

Members were informed that the two-way communication assisted both the auditor and the committee in understanding matters relating to the audit and developing a constructive working relationship, as well as the committee fulfilling its responsibilities in relation to the financial reporting process.

The document covered a series of questions to management of the council covering:

- General Enquiries of Management
- Fraud
- Laws and Regulations
- Related Parties
- Going concern
- Accounting Estimates

Committee were asked to consider the responses and whether they were consistent with its undertaking.

Several questions were asked on the issues that had been raised by the external auditors and assurances were given by the officers.

RESOLVED THAT COMMITTEE:

Note and acknowledge the responses made to the Grant Thornton document 'Informing the audit risk assessment for Ribble Valley Borough Council 2021/22'.

153

DRAFT INTERNAL AUDIT PLAN 2022/23

The Director of Resources submitted a report presenting the Strategic Internal Audit Plan for 2022/23 to 2024/25 for consideration and approval of committee.

The plan defined the scope and rationale behind each of the individual assignments and the resource requirements to deliver it. It also provided reassurance to the chief executive, s151 officer, senior managers and other stakeholders regarding the effectiveness of controls and management of risk.

Committee were reminded that it was their responsibility to monitor internal audit progress in achieving the Annual Audit Plan, evaluating the effectiveness of internal audit, the use of resources and where necessary recommending adjustments to the plan.

Committee were informed that the anticipated audit resources were considered sufficient to deliver the effective 3-year plan and that in 2022/23 the estimated resource was 656; with 409 days available to undertake the risk-based plan.

It was noted however that this was based on the assumption that the current vacant post in the internal audit section would be successfully recruited to by October 2022. If this was not the case then it would be necessary to engage other resources.

The plan focussed on the Council's risk register as this represented their own assessment of the risks to achieving the Corporate Strategy (2019 to 2023). It had been developed through a detailed risk assessment, mandated/core system requirements in compliance with PSIAS and consultations with senior management, directors and heads of service, with formal approval from the Corporate Management Team.

RESOLVED THAT COMMITTEE:

Approve the Strategic Internal Audit Plan 2022/23 to 2024/25.

154

INTERNAL AUDIT PROGRESS REPORT - JUNE 2022

The Director of Resources submitted a report outlining the progress on the internal audit as of June 2022 for consideration and approval by committee.

Since the last meeting of committee, a number of areas had been a key focus, and had received substantial/high/moderate assurances. Priority had been given to performing core system work to enable the annual audit opinion to be reached.

The report also included a summary of internal audit recommendations due for implementation, and where agreed actions had not yet been implemented in line with timescales, discussions would take place with management.

An annual assessment of the effectiveness of the Internal Audit Service was also required to conform with the PSIAS. An initial self-assessment had been undertaken by the Internal Audit Manager but an external assessment would also be required and commissioned.

The report outlined the summary of conformance against the PSIAS based on the initial self-assessment. Seven recommendations had been made; six relating to partial compliance and the one regarding the external assessment that had not taken place in 5 years.

The report also suggested changes to assurance definitions and proposed performance indicators to ensure they meet the Standards and address the risks associated with the control environment.

RESOLVED THAT COMMITTEE:

Note the report and approve the changes in assurance definitions and proposed performance indicators.

155

ANNUAL INTERNAL AUDIT OPINION 2021/22

The Director of Resources submitted a report for information providing the committee with an independent opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control; including a summary of the internal audit work that supports the Opinion: any impairments or restrictions in scope of work undertaken; and the outcomes of the self-assessment that the audit work undertaken was in conformance with the Public Sector Internal Audit Standards (PSIAS) for 2021/22.

The overall opinion of the Internal Audit Manager for the period 1 April 2021 to 31 March 2022 was substantial.

Committee noted that although the audit work that supported the opinion had been delivered in accordance with the Public Sector Internal Audit Standards, and there were no significant areas of non-conformance, that an improvement plan was in place to ensure full compliance.

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AUDIT PLAN - YEAR ENDING 31 MARCH 2022

The Ribble Valley Borough Council audit plan for year ending 31 March 2022 was presented for information by Grant Thornton.

Sophia Iqbal highlighted the significant risks, materiality, value for money arrangements and audit logistics.

Members asked questions regarding audit fees, and the progress against prior year audit recommendations and the actions taken into relation to these.

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REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

EXCLUSION OF PRESS AND PUBLIC

There were no items under this heading.

The meeting closed at 7.10 pm

If you have any queries on these minutes please contact the committee clerk, Olwen Heap 01200 414408 olwen.heap@ribblevalley.gov.uk.