



MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 27th SEPTEMBER 2023

PRESENT: Councillor D Maycock (Chair), Councillors B Clarke, S Daniels, S Doyle, R Pritchard and P Thurgood

Officers Joanne Goodfellow (Assistant Director Finance), Joanne Sands (Assistant Director Partnerships), Nicola Hesketh (Monitoring Officer), Tracey Pointon (Legal Admin & Democratic Services Manager) and Leanne Costello (Democratic and Executive Support Officer)

Visitors Will Guest (Grant Thornton External Auditors)

20 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor B Price

21 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 23rd August 2023 were approved and signed as a correct record.

(Moved by Councillor B Clarke and seconded by Councillor S Daniels)

22 DECLARATIONS OF INTEREST

There were no declarations of Interest.

23 AUDIT FINDINGS REPORT AND MANAGEMENT REPRESENTATION LETTER

The Audit Findings Report and Management Representation Letter were presented by Will Guest from the External Auditors.

- The auditor discussed key points:
- Pg 4 set out items that were outstanding at the time of writing the report.

- Debtors, creditors and operating expenditure testing is now completed and management have provided responses to the business rates appeals provision
- Financial instruments disclosure is completed subject to final reviews.
- Anticipate to sign non modified opinion by the end of October once reassurances have been received from the Pension Fund Board Auditor
- Anticipating issue auditors Annual Report in relation to the value for money work by the end of January 2024 a letter is included at the end of the report to the chair setting out the reasons for this.
- A finding against the significant risk identified in the audit plan set out in page 8. In relation to management overriding control the journals work is complete subject to final review. We have not identified any issues at this stage and in relation to the estimates I will cover separately.
- In relation to fraudulence revenue and expenditure recognition identified relating invoices received after the year end and relates to an equans invoice. Whilst there isn't accrual in the financial statement, management couldn't prove that the invoice we selected was within that accrual. Looked at what we think the impact could be and isolated on Equans invoices as there were no issues elsewhere, recorded in appendix C the impact wasn't material and below the performance materiality.
- Work still to be completed on the valuation of council dwellings or land and buildings, awaiting response regarding one matter on council dwellings from the valuer.
- Land and buildings identified an area with regard to the valuations being incorrectly marked as the land element of the building and vice versa which had an impact on the revaluation reserves. Whilst the figures on the balance sheet was correct the re-evaluation reserved was incorrect because of the valuation being marked to the wrong asset. The secondary relates to the valuation of garages which were over stated by 565k and this produced double counting of the land value, management are not proposing to adjust for that as set out in appendix C
- Identified that rental income in relation of land and buildings have been miscoded to investment property and the impact is 68k and just affects where it sits on the CIES

Members sought clarity on the following

In terms of that example to that mistake what lessons have been learnt and what steps are being taken to make sure it doesn't happen again. It just comes down to management taking a step back and reviewing the valuation report again and looking at movements to see if anything jumps out.

Resolved: That the Committee

approved the Audit Findings Report and approved the Management Representation Letter.

(Moved by Councillor D Maycock and seconded by Councillor B Clarke)

Report of the interim Executive Director Finance to approve the Statement of Accounts (the Statement) for the financial year ended 31st March 2023 following completion of the external audit.

Resolved That the Committee

1. approved the Annual Statement of Accounts 2022/23;
2. delegated authority to the Chair of the Audit and Governance Committee to approve any changes and re-sign the accounts, if necessary, once the audit is concluded by the external auditors

(Moved by Councillor B Clarke and Seconded by Councillor S Doyle)

25 RISK MANAGEMENT QUARTERLY UPDATE QT1 2023/24

Report of the Assistant Director Finance to report on the Risk Management process and progress for Quarter 1 of the 2023/24 financial year.

RESOLVED That the Committee

1. endorsed the Corporate Risk Register.

(Moved by Councillor D Maycock and seconded by Councillor B Clarke)

26 REGULATION OF INVESTIGATORY POWERS ACT 2000

Report of the Assistant Director - Partnerships to consider the annual report to demonstrate compliance with the Council's Code of Practice for carrying out surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA)

Resolved That the Committee

1. Endorsed the RIPA monitoring report for 22/23 and Policy review;
2. Considered and endorsed the recent audit findings of the Investigatory Powers Commissioner's Office (IPCO)

(Moved by Councillor D Maycock and seconded by Councillor B Clarke)

27 MODERN SLAVERY STATEMENT 2022/23

Report of the Assistant Director - Partnerships to endorse the Council's Modern Slavery and Human Trafficking Statement 2022/23

Resolved That the Committee

1. endorsed the Modern Slavery and Human Trafficking Statement 2022/23 for publication on the Council website in accordance with the Modern Slavery Act 2015

(Moved by Councillor D Maycock and seconded by Councillor P Thurgood)

28 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW 2022/23

The report of the Assistant Director - People to advise the committee of the contents of the Local Government and Social Care Ombudsman's Annual Review letter for the year ended 31st March 2023 in relation to complaints against Tamworth Borough Council.

Resolved That the Committee

1. endorsed the contents of the 2022/23 Ombudsman Annual Review Letter and the summary of complaints, decisions and compliance contained within it.

(Moved by Councillor D Maycock and seconded by Councillor P Thurgood)

29 AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the timetable and agreed the following changes:

Risk Management Quarterly Update move from October to November
Introduce Azet's the Auditors to the Committee in November.

Chair