

Audit and Accounts Committee

Conducted as a Live Teams Meeting (audio only)

Date: 20 January 2021

Meeting commenced: 3:45pm

Meeting ended: 4:30pm

Present:

- Councillor Robin Garrido: In the Chair
- Councillors: Joshua Brooks, Stephen Coen, David Jolley, Roger Jones, Mike Pevitt, John Walsh.
- Co-opted Members: Edoardo Bucci, Vittoria Bugana.
- Invitee: Councillor Bill Hinds

Public: None

Officers:

- Cath Andrews – External Auditors Mazars
- Simon Bleckly – Internal Auditor
- Jean Gleave - Head of Internal Audit
- Joanne Hardman – Chief Finance Officer
- Chris Hesketh – Head of Financial Management
- Jay Horeesorun – Principal Auditor
- Karen Murray - External Auditor Mazars
- Sian Roxborough – City Solicitor
- Tony Thompstone – Strategic Finance Manager
- David Smith – Internal Audit Manager
- Liz Wright - Senior Democratic Services Officer

1. Apologies for absence

- There were no apologies received.
- The Chair took this moment to pass on thanks and best wishes to Jean Gleave, The Head of Internal Audit, on the announcement of her retirement. The Chair thanked Jean on behalf of the committee for her many years of dedicated service to the City for Salford and to the Audit and Accounts Committee. The members wished her all the best for a long and enjoyable retirement.

2. The committee is asked to consider whether it agrees to the inclusion of the items listed in Parts 1 and 2 of the agenda

It was confirmed that all items were Part 1 items and there would be no requirement to move to Part 2.

Resolved: That the items included on the agenda for this meeting be approved.

3. Declarations of interest

Councillor Garrido declared the following interest:

- Forviva Group (Main board member for the Group, Chair of the Development Committee Member of the Audit and Accounts Committee)

Councillor Walsh declared the following interest:

- A Trustee of The Salfordian Hotel.

4. To approve, as a correct record the minutes of the previous meeting

- Councillor Roger Jones was in attendance at the meeting and it was proposed that the attendance should be amended to reflect this.

Resolved: That the committee approved, as a true and correct record, the minutes of the previous meeting held on 25th November 2020, to include the amendment as listed above.

5. Matters arising

There were no matters arising from the minutes.

6. Training for members

The Chair introduced this item reminding members that they had considered training needs over the last couple of meetings and had looked at the results of the self-assessment at the meeting in October. Issues previously identified were the presentation of the annual report to Cabinet and full Council, which had been completed, and the role and purpose of the audit committee for members of the committee and the wider council.

- The City Solicitor (Sian Roxborough) commented that she, in partnership with the audit team, would be providing sessions open to all members to attend to explain the role and responsibilities of the committee and the duties it undertakes. The online sessions would be around 45 minutes in length, with sessions available in the daytime and evening to fit around members' work and family commitments. The Chair of the Committee would be asked to approve the content of the sessions, on behalf of the committee, before they were delivered.
- The Internal Audit Manager (David Smith) commented the training on the role and responsibilities would meet one of the main action points coming from the self-assessment and would also provide an opportunity for further training needs to be identified during the session to help plan for further training.
- A member suggested that the City Solicitor approached the political party whips to ask them to encourage all members to attend the training, as it was important for all members to understand the role and responsibilities of the committee. It was suggested that the training could also help generate interest from other elected members to join the committee, particularly from underrepresented groups such as women. The City Solicitor commended the idea and confirmed they would action this.
- The Chair commented that the self-assessment also highlighted the feedback on the performance of the committee and that it would be useful to get feedback from departments and officers of the council of their views and asked members to think about how this could be achieved.

7. External Auditors Audit Committee Progress Update and Annual Audit Letter - Mazars

a. The Audit Progress Report:

Karen Murray (External Auditor – Mazars) introduced the Audit Progress Report and highlighted the following.

- The 2019/20 audit opinion was signed by the External Auditors in November.
- The council's Whole of Government Accounts (WGA) submission would be completed by the end of the week.
- The 2020/21 audit was about to start and it was confirmed that an audit strategy memorandum would be submitted to a meeting of the committee in the near future.
- The value for money work undertaken by the external auditors was highlighted and under the amended code of practice would be presented as a narrative based report that would

give the opportunity to report on what the council was doing and how it was doing it in respect of the arrangements for securing value for money.

- The report highlighted technical and other papers that could be useful to the committee members from a Government perspective.

b. The Annual Audit Letter

The External Auditor (Mazars) introduced the Annual Audit letter and highlighted the following.

- The Annual Audit Letter (AAL) reflected the audit completion report presented at the last meeting and confirms what the external auditors did, what they found and the conclusions and was an important part of public accountability.
- The AAL included a note on the fees outlining the fees for the extra work the external auditors were required to do in 2019/20 and it was important that this was drawn to the attention of the members. The fees related to the pressures on the audit due to regulatory changes in the audit regime, primarily due to further testing to do with the cost of plant and equipment valuations and pension liabilities and also because of the extra difficulties incurred due to Covid19.

The External Auditor invited questions and comments for the members.

- The Chair asked if there was any detail available at this time of how the 2020/21 audit would be carried out, including timescales and practices. It was confirmed that in a normal year the council's accounts would be ready by the end May and the audit would be completed by the end of July. Last year it was extended so that the account's deadline was the end of August and the audit had to be completed by the end of November. For this year, and in light of the Redmond Review, it was proposed that the audit would be completed by the end of September for the 2021 and 2022 audit and this could be reviewed in the future in light of the feedback the Government had received from external auditors about the pressures in the system. The External Auditor confirmed that this would be a very challenging deadline, due to the backlog of work experienced due to the pandemic but would be discussing this further with the council's finance and audit teams and would then be able to give clearer timescales.
- The Head of Internal Audit and the Chief Finance Officer recognised the pressures in the system due to the pandemic and welcomed the discussions with the External Auditors.
- The Chair commented that the impact of the pandemic was still unfolding and the committee would continue to monitor the situation and would review it at the next meeting in March.

Resolved: That, the committee noted the Audit Progress Report and the Annual Audit Letter.

8. **Internal Audit Progress Report - David Smith**

The Internal Audit Manager (David Smith) introduced the report and highlighted the following.

- There were three audits that had been completed since the previous meeting:
 - Pupil modelling
 - Project Imagine
 - IT Service Desk
- All three audits found a satisfactory level of assurance, with medium priority recommendations for each area to address.
- In terms of other work, the audit team had been heavily involved in the council's response

to Covid19, in particular supporting the work of the business rates and council tax teams with the grants to businesses in and around Manchester.

- The counter fraud officers within the team had been providing support with the Covid19 isolation payments and trace and trace payments. This formed part of the team's assurance work.
- Staffing levels were to be slightly reduced over the coming months, with 60 days removed from the plan to accommodate maternity/parental leave.
- Two draft reports had been issued. One for the audit of Wharton Primary School and the other the audit of Blue Badges and these would be presented at the next committee meeting.
- There were no reports on investigations for the committee to receive at this time and this had been the situation for some time. There was one matter that was currently being looked at and this would be brought to the committee if it developed into an investigation.
- Work was in progress with RHS Bridgewater Garden programme, looking at the governance arrangements and the expenditure on the programme. It was hoped that there would be good practice that the council and RHS could transfer this good practice across the other investments programmes they were involved in.
- Work had started with Early Help and Helping Families as there had been a lot of change in that area.
- School audits had been suspended during lockdown and would be revisited to see if they could recommence once lockdown had ended and Covid19 pressures had eased.

The Internal Audit Manager invited questions and comments for the members.

- The Chair commented that considering the Covid19 pressures the work programme was still very extensive and commended staff for all their work. The Head of Internal Audit joined the Chair in thanking staff for their resilience and commitment.

The Head of Internal Audit (Jean Gleave) commented on the CIPFA guidance outlined in the report and highlighted the following.

- CIPFA had provided guidance on providing the overall head of internal audit opinion for 2020/21 and obtaining sufficient assurance to support the opinion, in light of the pandemic. The head of internal audit will need to take into account both internal audit work and other sources of assurance.
- It would be a key focus in 2021 to identify all the areas of assurance.
- Internal audit was assessing all the time the challenges on staff and on the teams undertaking audits during the pandemic. If audit were to identify any limitations on audits these would be discussed with the CFO and officers and be brought to this committee at the March meeting.

The Chair invited questions and comments from the members.

- A member asked about the council's new Chief Executive Officer and how he would be updated about the work of the committee. The Chair proposed that the new CEO Tom Stannard be invited to the March meeting and the members agreed.

The Chair thanked the Head of Internal Audit, the Internal Audit Manager, the Chief Finance Officer and all the staff in the audit and finance teams for all their work during a very challenging year.

Resolved: That, the committee agreed to invite the new CEO, Tom Stannard to the March meeting.

9. Standards in Public Life Report - Sian Roxborough/Jean Gleave

The City Solicitor introduced the report and highlighted the following.

- The committee were asked to note the review by the Committee on Standards in Public Life and the list of best practice recommendations and to also note the work undertaken by the Standards Committee to implement the best practice recommendations.
- The purpose of this report was to make members aware of the 20th report of the Committee on Standards in Public Life, on the subject of ethical standards in local government. Members attention was drawn to the list of best practice recommendations from the review attached at Appendix A.
A review of the implementation of the best practice recommendations was underway and a consultation exercise had been undertaken for the public and public sector.
- The review was undertaken in January 2019 and the report with the recommendations was presented to the Committee on Standards in Public Life (CSPL) in December 2020.
- Work had been undertaken by the City Council's Standards Committee to review the council's compliance with the recommendations in the review and an update report was discussed at the Standards Committee meeting on the 10th December 2020 (not 12th November as stated in the report).
- The response to the public sector consultation was co-ordinated by the City Solicitor after discussion with relevant managers and the Lead Member for Finance and Service Reform. The response was submitted to CSPL and the feedback from the secretariat for the CSPL was that the response was very helpful.
- The Standards Committee on 10th December considered at report on the code of conduct for members and the standards in public life and the LA response to the CSPL consultation was included in that report.
- In summary the City Solicitor reported that the city council already complied with the majority of the 15 recommendations from the CSPL review and the rest are covered in the annual training and development for members. As a result of the review the Local Government Association updated its model code of conduct for members and this would be considered by the Standards Committee at the next meeting on 4th February.
- The CPSL, following the outcome of the public consultation, gave further assurance that the majority of councils were recommendations and the Standards in Public Life and a link to the CPSL was included in the report.

The City Solicitor invited questions and comments from members.

- A member asked how compliant the code of conduct was to the standards required. The City Solicitor would send the responses to the members so they could see the evidence for compliance.
- A member commented of the need to ensure the upholding of democratic principles, in light of developments in other countries where attacks on democracy had been seen, and commended the work carried out by the Standards Committee and this report to ensure compliance with the CSPL standards.

Resolved: That, the committee noted the report and its recommendations.

10. URGENT BUSINESS – PART 1

There no urgent Part 1 business.

11. Date of the next meeting

The dates of the future meetings listed below were confirmed and it was agreed that members would meet from 1:45pm for the 2pm start.

- Wednesday 24 March 2021 at 2pm

Committee Members attendance 2020/21

✓ = present; A = Apologies submitted; Blank = No apologies submitted.

Councillor	Jan	March	June	July	Sept	Oct	Nov	Jan	March
Councillor R Garrido (chair)	✓	Cancelled due to Covid19	✓	✓	✓	✓	✓	✓	
Councillor J Brooks	✓	Cancelled due to Covid19	✓	A	✓	✓	✓	✓	
Councillor P Coen		Cancelled due to Covid19				A		✓	
Councillor D Jolley	✓	Cancelled due to Covid19	✓	✓	✓	✓	✓	✓	
Councillor R Jones	✓	Cancelled due to Covid19	✓	✓	✓	✓	✓	✓	
Councillor M Pevitt	✓	Cancelled due to Covid19	✓	A	✓	✓		✓	
Councillor John Walsh	✓	Cancelled due to Covid19	✓	✓	✓	✓	✓	✓	
Councillor B Hinds (invitee)	A	Cancelled due to Covid19	✓	✓	✓	A	✓	✓	
Vittoria Bugana (co-opted member)	✓	Cancelled due to Covid19	✓	✓	A	✓		✓	
Edoardo Bucci (co-opted member)							✓	✓	