

## **Minutes of the meeting of the Audit Committee**

**Date:** Tuesday, 27 February 2024

**Venue:** Committee Room 5 - Perceval House

**Attendees:**

Y Johnson (Chair), S Khan (Vice-Chair), F Mohamed, I Kingston and G Busuttil  
T Hyun

### **1 Apologies for Absence and Substitutions**

There were no apologies.

The chair noted that the meeting was Tommy Hyun's last meeting. She thanked Mr Hyun for his service and noted that officers intended to recruit 2 new independent members to the committee.

### **2 Urgent Matters**

There were none.

### **3 Declarations of Interest**

There were none.

### **4 Matters to be Considered in Private**

There were none.

### **5 Minutes**

**RESOLVED:** That

The minutes of the meeting held on 7 December 2023 were agreed and signed by the chair as a true and correct record.

### **6 Treasury Update (Quarter 3)**

Bridget Uku, Group Manager Treasury & Investments updated the committee on the Treasury management quarterly report which commented on the council borrowings and investment activities for the quarter ending 31

December 2023.

Members were recommended to note the Treasury Management activities and performance against targets for the period to 31 December 2023 and to note the Council's investment balance of £554.710m as of 31 December 2023 of which £446.100m was invested in Debt Management Office.

All treasury management activities were carried out within the limits of the permissions given to the management team and further information about these activities was provided in the agenda pack.

The report was for noting the treasury management performance and the Council's investment balance for the period. Bridget Uku noted that the 4.694 % investment return during the period was slightly under the benchmark mainly due to rising interest rates and investments held prior to the interest rate increases.

Bridget Uku noted that the treasury management strategy had been appended, which outlined the confines in which the management team were going to work in the year ahead.

**RESOLVED:** That  
The contents of the report and the supporting documentation were noted.

## **7 Public Sector Audit Arrangements Update**

Emma Horner, Assistant Director Technical Finance gave an update on the Public Sector Audit Arrangements.

The report was to inform the committee about the joint statement and consultations published by the Department for Levelling Up, Housing and Communities that set out plans to deal with the audit and national audit backlog.

Members were recommended to note the update on the joint statement and consultation which will impact the audit of the Ealing Pension Fund and London Borough of Ealing accounts.

Emma Horner highlighted sections 3.5 and 3.7 of the report. According to auditing standards, auditors could issue modified or disclaimed opinions if a statutory backstop date was in place, even with limited substantive testing. As outlined in the Cross-System statement in July, the proposed backstop date was likely to lead to modifications or disclaimers in the audit opinion. System partners were going to provide clear communications explaining the implications of different opinion types, clarifying that modified or disclaimed opinions due to the backstop date do not necessarily indicate significant financial reporting or management issues in a local body.

Emma Horner noted that the consultation would be heading into Phase 1

which involved clearing the backlog of historical audit opinions up to the financial year 2022/23 by 30 September 2024.

In response to questions from the committee, Emma Horner and Jonathan Gooding, auditor, confirmed that they would implement a plan to ensure key deadlines are met. There had been good progression on the value for money so far which was going to continue up until the backstop date.

*Cllr. F Mohamed joined the Audit committee meeting during this item at 19:07.*

**RESOLVED:** That

The contents of the report and the supporting documentation were noted.

## **8 Financial Management Code Assessment**

Emma Horner informed the committee of the self-assessment which had been undertaken by Council officers against the CIPFA financial management code.

Members were recommended to note the council's self-assessment of compliance with the financial management code.

In response to questions from the committee, Emma Horner confirmed that continued work to improve financial skills and knowledge across the finance function was ongoing. She explained that management was constantly assessing development needs within the team, formulating succession plans where staff were leaving and were considering options for utilising the apprenticeship levy for training. She also confirmed that agency staff were in place throughout finance and that there was a current process to facilitate temporary staff joining teams permanently.

**RESOLVED:** That

The contents of the report and the supporting documentation were noted.

## **9 Draft Internal Audit Plan 2024/25**

Mike Pinder, Assistant Director Audit and Investigations, introduced the report which set out the draft internal audit plan for the municipal year 2024 to 2025.

Members were recommended to review and approve the draft internal audit plan for the period 1 April 2024 to 31 March 2025.

Mike Pinder commented that there was progress on engaging with strategic directors and key stakeholders to gather views on priorities around areas of coverage for internal audits.

A list of project areas which required an internal audit review or independent sign off was also included, for example grants received, which required sign off by the provider. The strategic internal audit plan remained responsive to key risks but acted as a planning aid at this stage. It was intended that the strategic plan would continue to build, but also that it would continue to be agile to reflect a changing risk environment.

The operational one-year plan would remain reasonably fluid to allow areas of emerging risk to be adopted during the year where necessary. Updates would be reported to management and the Audit committee during the year.

In response to questions from the committee, Mike Pinder confirmed that there is an aim to recruit a Deputy head of audit with further officer recruitments to move to delivery of work by an in-house team. He added that he will update the committee on the recruitment process.

**RESOLVED:** That

1. The contents of the report and the supporting documentation were noted.
2. The contents of the report and the supporting documentation were approved.

## **10 Quarter 3 Internal Audit & Investigation Update Report**

Mike Pinder introduced the report and confirmed that the delivery of the plan was on track and targets were met.

Members were recommended to note the performance of the Internal Audit & Investigation team and key issues arising during the period 1 October 2023 – 31 December 2023.

5 audits were delivered which received reasonable assurance.

In response to questions from the committee, Mike Pinder confirmed that he was hoping to have all reports at draft by the end of March ready for the next committee meeting.

**RESOLVED:** That

The contents of the report and the supporting documentation were noted.

## **11 Risk Register (Quarter 3)**

Mike Pinder introduced the report.

Members were recommended to note the progress on the Strategic Risk Register (Appendix A) and key risks identified and provides comments to officers for their consideration.

He noted that officers had been working closely with the new strategic leadership team to organise a Workshop, revision, and reiterations. Mike Pinder commented that he had completed a benchmark against 10 other local authorities and a list of risk compiled by the London Audit Group. A full list of risks for management to consider had been agreed by SLT. Mike Pinder noted that some of the mitigations needed more work and population.

In response to questions from the committee, Mike Pinder confirmed that children without public funds did not have access to benefit packages and as a result the council would need to find money to provide them with accommodation and living expenses. He also recognised the concerns with using wording such as 'mitigation' and 'on going' in the risk register and would pick this up with management as the document is reviewed.

**RESOLVED:** That

The contents of the report and the supporting documentation were noted.

Meeting commenced: 7.00 pm

Meeting finished: 7.30 pm

Signed:

Dated: Thursday, 4 July 2024

Y Johnson (Chair)