



# Audit and Risk Committee

## Minutes

Monday, 06 December 2021 at 10:00

**Present:**

Councillor Flaxman-Taylor (in the Chair): Councillors Freeman, Galer, Wainwright and Wright (T)

Also in attendance at the above meeting were:

Ms K Sly (Finance Director), Ms L Snow (Financial Services Manager), Ms F Hammond (Internal Audit Manager), Ms K Bate (Corporate Risk Officer) & Mrs T Bunn (Senior Democratic Services Officer)

Ms D Hanson (Associate Partner, EY Associates) (remotely)

### **1 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 MINUTES**

The minutes of the meeting held on 14 June 2021 were confirmed.

There were no matters arising.

### **4 CORPORATE RISK REGISTER**

The Committee received and considered the report from the Corporate Risk Officer which informed of the current corporate risk position.

She advised that one risk had been removed from the register and that the risk rating for eleven risks have reduced due to the implementation of the action plan and further control measures being in place.

RESOLVED

That the Committee review the Corporate Risk Register.

Agreed.

### **5 REPORT ON THE STATUS OF AUDIT RECOMMENDATIONS**

The Committee considered and received the report from the Head of Internal Audit.

the Head of Internal Audit advised Members that this report provided an update on the progress made in relation to management implementation of the agreed actions as at 25 November 2021.

Councillor Wainwright noted that GY1801 (2017/18) was still outstanding from the Corporate Health and Safety report. The Committee suggested a revised completion date of 31 January 2022 and asked that, if it is not completed by this date an officer provide an update report to the next Audit and Risk Committee.

RESOLVED

That the Committee received and noted the current position in relation to the implementation of the agreed audit recommendations

Agreed

### **6 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY**

The Head of Internal Audit briefed the Committee on the report contents which examines progress made between 9 June 2021 to 25 November 2021 in relation to the delivery of the revised Annual Internal Audit Plan for 2021/22.

The Head of Internal Audit reported that there had been one significant change to the Internal Audit Plan since it was approved in June 2021. This is a request for a review of the Business Support Grants as requested by the Head of Customer Services which will involve sample testing grants from a number of Covid-19 grant schemes.

In addition to this the Chief Executive requested an investigation into Health and Safety concerns regarding repairs carried out within some areas. Councillor Wainwright asked for an update into the progress of this audit as it is of serious concern. The Head of Internal Audit advised that meetings have been progressed and a report is expected week commencing 17 December.

The Head of Internal Audit advised Committee that there had been a slow start to the overall audit activity this year due to resourcing issues. 102 days of programmed work have now been completed, equating to 43% of the Internal Audit Plan for 2021-22.

RESOLVED

That Committee received and noted the progress being delivered against the Internal Audit Plan for 2021/22.

Agreed

## **7     AUDIT RESULTS REPORT 2019/20**

The Committee received and considered the report and a summary presentation from Debbie Hanson, Associate Partner, Ernst & Young LLP in respect of the Audit Results Report in relation to the audit of Great Yarmouth Borough Council for 2019/20, she also advised that the audit for the year ended 31 March 2020 is substantially completed.

She advised that subject to concluding the outstanding matters listed in the report it is expected that an unqualified audit opinion will be issued on the financial statements. One of the concerns raised was in respect of the capacity of the finance team bearing in mind the range of functions undertaken.

Councillor Wainwright commented that the Finance Team are stretched for capacity, in line with many other council departments. However he wished to commend the team on their work in administering the Covid Grants, as this had been exceptional and it has been impressive in the way that they have supported local businesses in this work.

Debbie Hanson advised the Committee that the resource implications had impacted on the amount of time it had taken to complete the audit which had resulted in additional costs to the council.

The Finance Director advised the Committee that capacity is tight but the work had been exacerbated by having an audit for 2019/20 running a year behind, it was also a challenge to respond to questions at a distance of time. In a normal year this would not have been such an issue. The team had considered recruiting additional resources to support the grant work but it had been felt

that this would not be feasible within the tight turnaround requirements.

Councillor Flaxman-Taylor echoed the comments of Councillor Wainwright praising the work of the finance team in very difficult circumstances.

**RESOLVED**

To receive the Audit Results Report in relation to the audit of Great Yarmouth Borough Council for the year ended 31 March 2020.

Agreed

## **8 FINAL STATEMENT OF ACCOUNTS 2019/20**

The Committee received the Statement of Accounts 2019/20 report by the Finance Director.

The Finance Director advised that the Statements of Accounts bring together the financial results of all the authority's operations and the financial position as at 31 March 2020.

The Finance Director advised the Committee that, following a review of the balance sheet as at 31 March 2020 the following areas had been identified where asset or liability values were likely to be materially impacted by Covid-19:

- Property, plant and equipment and investment property, it was noted that retail property was the main area impacted negatively by the pandemic but as the Council's asset portfolio does not include these property types it has not suffered a decline in the asset valuations because of the pandemic.
- Pension fund liability, the value of the liability is highly sensitive to the actuarial assumptions used in its calculation.

The Finance Director advised that the impact of the pandemic on the Council's finances will continue to be monitored.

Councillor Wainwright asked for clarification in respect of the Market income and the direct operating expenses as it appears that the loss had doubled from previous years. The Finance Director will investigate further and supply a response to the Committee.

**RESOLVED**

To agree the Statement of Accounts (subject to the outstanding matters).

Agreed

## **9 APPOINTMENT OF EXTERNAL AUDITORS**

The Committee reviewed the report relating to the appointment of External Auditors as presented by the Finance Director.

The report set out the proposal for the appointment of the Council's external auditor for the five year period from 2023/24.

The Finance Director advised the Committee that opting into the national sector led appointment of external auditors provides the greatest opportunity to achieve value for money from the procurement process and will also provide the ongoing contract management of the external auditor contracts from 2023/24 onwards.

RESOLVED

To recommend to Council that Great Yarmouth Borough Council accepts the Public Sector Audit Appointments' invitation to opt into the sector led option for the appointment of external auditors for the five years from 1 April 2023.

Agreed

## **10 ANY OTHER BUSINESS**

The Chair advised that there were no other items of business to be discussed but expressed her own and the Committee's thanks to the Finance Team for all their work in respect of the accounts, Covid grants and the significant input to the Council's wide range of projects. She also thanked the Audit team for attending the Committee.

The meeting ended at: 11:15