

# **STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

## **AUDIT & ACCOUNTS COMMITTEE MEETING**

### **Minutes**

**FRIDAY, 7 JUNE 2024**

PRESENT: Councillor M Spooner (Chair)  
Councillors J Cox, C Edwards, A Parkes, D Proudlove and N Yates

IN ATTENDANCE:

APOLOGIES: Councillors K Flunder, A Hart, M Worthington and Mr J Berrisford

#### **1 DECLARATIONS OF INTEREST**

There were no declarations of interest made.

#### **2 MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting of the Audit & Accounts Committee held on 16 February 2024 be approved as a correct record

#### **3 CHAIRS ANNOUNCEMENT**

The Chair reminded members to attend the training session that had been arranged.

#### **4 EXTERNAL AUDITOR'S ANNUAL REPORT 22/23**

A verbal summary of the Auditor's Annual Report was delivered to members by representatives from Grant Thornton.

Members were advised that the report was positive and improvement recommendations made were not indicative of any weakness.

Members commented how external factors such as inflation had impacted figures.

RESOLVED:

That the report be noted.

#### **5 EXTERNAL AUDIT PLAN**

A verbal summary of the Audit Plan was given to members by a representative from Grant Thornton. This included key matters, significant risks identified, progress against last years recommendations, IT audit strategy, IFRS 16 "Leases" and communication of audit matters with those charged with governance.

Members discussed whether any high risks had been identified, scrutinising the evaluation process for council properties and the heritage asset risk.

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RESOLVED:

That the Audit Plan be approved.

### **6 INFORMING THE AUDIT RISK ASSESSMENT**

Members were given a verbal update by a representative from Grant Thornton.

REOSLVED:

That the report be noted.

### **7 ROLES AND RESPONSIBILITIES OF THE AUDIT & ACCOUNTS COMMITTEE**

As the membership of the Committee was relatively new and there had been a change in the scrutiny arrangements recently, it was considered prudent to establish the relative roles and responsibilities of this committee compared with that of the Resources Overview & Scrutiny Panel and the Finance and Performance Committee. This report outlined the distinctive roles of these committees to give clarity and focus to the work of the Audit and Accounts Committee.

Members thanked officers for the clarity.

RESOLVED:

That the report be noted.

### **8 ANNUAL TREASURY MANAGEMENT REPORT 2023/24**

The purpose of the report was to allow the robust scrutiny of the Council's Treasury Management performance in 2023/24 in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice. The Council was required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities for the year.

Members discussed capital reserve, requirement for long term resources and security of investments.

RESOLVED:

That the report be recommended to Council for approval.

### **9 INTERNAL AUDIT PROGRESS REPORT**

The Accounts and Audit Regulations 2015 required the Council to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance". In accordance with the Public Sector Internal Audit Standards, the Head of Audit must report periodically to the Audit Committee on the internal audit activity's performance relative to its plan.

The purpose of this report was to summarise the findings of the remaining audits undertaken by the Council's Internal Audit service for the 2023/24 financial year and to summarise performance information for the 2024/25 financial year. This included a breakdown of audits in progress and completed to date, the number and

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classification of recommendations made, agreed and where applicable, implemented by management.

Members discussed how this report compared to last year's, the process for ensuring audit recommendations implementation and how the committee support this.

RESOLVED:

That the report be noted.

### 10 **INTERNAL AUDIT - ANNUAL REPORT 2023/24**

The Accounts and Audit Regulations 2015 required the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In accordance with the Public Sector Internal Audit Standards, the Head of Audit must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The purpose of this report was to summarise year end performance information for financial year 2023/24. This included a breakdown of audits undertaken and completed to date, the number and classification of recommendations made, agreed and where applicable implemented by management, external review results, developments in the service and an assessment of the Council’s internal control environment.

RESOLVED:

- That the performance information contained within this report be noted.
- That the opinion on the overall adequacy and effectiveness of the Council’s internal control environment be noted.

### 11 **INTERNAL AUDIT CHARTER**

The Accounts and Audit Regulations 2015 required the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. The Audit Charter provided a framework for the operation of the Internal Audit service and was required by the Public Sector Internal Audit Standards (PSIAS) which required the Charter to be approved by the ‘Board’, which for the Council’s purpose was the Audit & Accounts Committee.

The Internal Audit Charter was a formal document that defined Internal Audit’s purpose, authority and responsibility. The Charter established Internal Audit’s position within the organisation, including the nature of the Head of Audit’s functional reporting relationship with the Audit Committee; authorised access to records, personnel and physical properties relevant to the performance of engagements; and defined the scope of Internal Audit’s activities.

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Members discussed changes to the Public Sector Internal Standards due in 2025 and the potential implications.

RESOLVED:

That the Council's Internal Audit Charter be approved.

12 **INTERNAL AUDIT ANNUAL AUDIT PLAN**

The Accounts and Audit Regulations 2015 required the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In accordance with Public Sector Internal Audit Standards, the Audit Manager should establish a risk based audit plan to determine the priorities of the internal audit activity, consistent with the Council's goals.

The Standard stated that the Audit Plan must be based on a documented risk assessment undertaken at least annually and it needed to be flexible in response to changes in the Council's business, risks, operations, programs, systems and controls. Furthermore, the Standard stated that the Head of Audit must communicate the internal audit activity's plans and resource requirements to senior management and the Audit Committee for review and approval. The Head of Audit must also communicate the impact of resource limitations. This report sought to address these requirements.

RESOLVED:

That the Council's annual Internal Audit Plan for 2024/25 be approved.

13 **WORK PROGRAMME**

Members suggested that they receive an update from Grant Thornton at the next meeting regarding the progress of the audit.

RESOLVED:

That the work programme be noted.

14 **EXCLUSION OF PRESS AND PUBLIC**

The meeting closed at 11.10 am

\_\_\_\_\_ Chairman \_\_\_\_\_ Date