

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING

Thursday, 23 July 2020

PRESENT: Councillor Malcolm (Chair); Councillors A. Ahmed, James Gartside, Martin, Nickson, Rashid and Williams

OFFICERS: J. Murphy (Chief Finance Officer), Samantha Smith (Deputy Chief Finance Officer), I. Corbridge (Head of Internal Audit), M. Nixon (Risk and Insurance Manager), Stuart Smith (Head of Finance), M. Garraway (Committees and Constitutional Services Manager)

ALSO IN ATTENDANCE: J. Sanderson (Independent Member); C. Ainsworth (Independent Person); K. Murphy and D. Watson (Mazars).

APOLOGIES FOR ABSENCE: Councillor Sultan

9 MINUTES RESOLVED

That the Minutes held on the Audit & Governance Committee meeting held on 23 June 2020 be approved as a correct record.

10 EXTERNAL AUDIT COMPLETION REPORT

Consideration was given to a report of the Council's External Auditor's, which highlighted the key matters arising from their audit of Rochdale Borough Council's financial statements for the year ended 31st March 2020. The External Auditors were also required to consider other information published together with the audited financial statements and whether it was consistent with the financial statements and in line with required guidance and whether the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 9 March 2020. Since we issued our Audit Strategy Memorandum the UK has been subject to the challenges and restrictions of COVID-19. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

One implication of COVID-19 for the Council was that the deadlines for submission of the draft and audited financial statements were pushed back to 31 August and 30 November respectively. Despite the revised deadlines the Council was able to publish draft accounts on 10 June, only 10 days behind the original submission deadline.

Members were reminded that under the Audit Commission's Code of Audit Practice the External Auditors were required to report whether, in their opinion, the Council's financial statements presented a true and fair view of

the financial position and expenditure and income for the year and whether the statements had been prepared properly in accordance with the CIPFA Code of Practice on Local Authority Accounting.

Mazars the Council's external auditor, issued a qualified 'except for' Value for Money conclusion for 2019/20 within their annual completion report due to identified failings with key decisions taken by the Authority which had not complied with statutory requirements.

RESOLVED

That the Findings Report from External Audit be noted.

11 ANNUAL GOVERNANCE STATEMENT

Consideration was given to a report of the Committees and Constitutional Services Manager seeking approval of the Annual Governance Statement. The Committee were informed that the Council was required under Regulation 4(3) of the Accounts and Audit Regulations 2015 to produce an Annual Governance Statement (AGS) to accompany the Annual Statement of Accounts which must be signed by the Leader of the Council, Chief Executive, Chief Finance Officer (Section 151 Officer) and the Monitoring Officer.

The purpose of the AGS process was to provide a continuous review of the effectiveness of the Council's internal control and risk management systems so as to give assurance on their effectiveness and/or to produce a management action plan to address identified weaknesses in either process.

The Annual Governance Statement for the year ended 31st March 2020 was submitted for approval, together with the annual audit opinion from the Chief Internal Auditor, the external review and inspection reports and an action plan to address issues raised and ensures that there is continuous improvement in the governance of the Authority.

RESOLVED

That the Annual Governance Statement be approved.

12 STATEMENT OF ACCOUNTS

Consideration was given to a report of the Chief Finance Officer that sought approval of the Council's audited statement of accounts for 2019/20.

The submission of the Council's Statement of Accounts was required for issue by the 31 July 2020 as a statutory requirement and therefore no alternatives were available.

Prior to audit completion, the accounts and supporting documents had been available for inspection by any person interested between 10 June and 22 July 2020. From the 10 June 2020, the District Auditor has been available to receive questions and objections relating to the accounts from local electors.

As a consequence of the audit a small number of changes to the statement of accounts had been made which have been agreed with the External

Auditors and detailed in Appendix 1 of the submitted report. The management representation letter and statement of accounts were detailed at Appendix 2 and 3 of the submitted report.

RESOLVED

That the audited statement of accounts for 2019/20 and the management representation letter be approved.

13 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2019/20

The Committee considered a report of the Head of Internal Audit advising that, in order to comply with best professional practice, the Audit and Governance Committee should complete an annual report to the Council on the work undertaken by the Committee during the previous year.

RESOLVED

That the Annual Audit and Governance Committee report be submitted to the next meeting of Council.