

# Minutes of Audit and Risk Assurance Committee

**12 December 2024 at 6.00pm**  
**In the Council Chamber - Sandwell Council House, Oldbury**

- Present:** Councillor Preece (Chair);  
Councillors Jalil, Johnston and J Singh.
- In attendance:** Zoe Thomas (Senior Audit Manager - Grant Thornton) and  
Tom Foster (Principal Consultant – Grant Thornton).
- Officers:** James McLaughlin (Assistant Chief Executive), Alex  
Thompson (Executive Director – Finance and  
Transformation), Alan Lunt (Executive Director – Place),  
Mike Jones (Assistant Director – Legal and Assurance and  
Monitoring Officer), Claire Spencer (Acting Assistant Director  
– Finance), Peter Farrow (Audit Services and Risk  
Management Manager) and John Swann (Democratic  
Services Officer).

43/24 **Apologies for Absence**

Apologies for absence were received from Mr Ager (Vice- Chair),  
Councillors Crompton, L Giles and Mr Hussain.

44/24 **Declarations of Interest**

There were no declarations of interest.

45/24 **Minutes**

**Resolved** that the minutes of the meeting held on 18  
September 2024 are confirmed as a correct record.

## 46/24 **Additional Items of Business**

There were no urgent additional items of business.

## 47/24 **Approval of the Council's Statement of Accounts 2022/ 23**

Further to Minute No. 41/ 24 (meeting held on 18 September 2024) a partial audit of the Statement of Accounts 2022/ 23 had been completed.

The backstop deadline, introduced by central government, for the published audited accounts for the financial year of 2022/ 23 was 13 December 2024. The government had recognised that due to time constraints, not all audits of accounts could be completed in full.

The Committee, at its meeting on 18 September 2024, agreed that in order to comply with the new legislation, partial audits would take place on the 2022/ 23 accounts, in order to comply with the backstop deadline.

Following publication of the audited Statement of Accounts for 2021/22, the Council had been working on the draft Statement of Accounts for the year ending 31 March 2023, and this had been presented to the external auditor, Grant Thornton, for audit in September 2024.

Grant Thornton commenced work on detailed audit testing of 2022/ 23 transactions and working papers in August 2024 and were due to issue a disclaimed opinion on the accounts. Grant Thornton had prioritised their audit work in areas they were most likely to complete in the time available, particularly in areas that would provide the Council with assurance over its usable reserves.

It was acknowledged that Grant Thornton had carried out a significant volume of work on the audit of the 2022/ 23 accounts and had not found any material errors.

Representatives of Grant Thornton, presented their short- form Audit Findings Report, following completion of the partial audit of the 2022/ 23 accounts, to the Committee. The Senior Audit

Manager – Grant Thornton, noted that the Council was in a better position than most other local authorities.

### **Resolved**

- (1) that the Council's 2022/ 23 Statement of Accounts is approved;
- (2) that, in accordance with (1) above, the Chair of the Audit and Risk Assurance Committee signs the Statement of Accounts 2022/ 23 (in accordance with the requirements of the Accounts and Audit Regulations 2015);
- (3) that the Executive Director of Finance and Transformation is authorised to make any minor adjustments to the Statement of Accounts 2022/ 23 prior to the publication of the audited Statement of Accounts;
- (4) that the Executive Director of Finance and Transformation and the Chair of the Audit and Risk Assurance Committee are authorised to sign the letter of representation in relation to the financial statements, on behalf of the Council, and send the letter to the Council's external auditor, Grant Thornton.

48/24

### **Annual Governance Statement 2023/ 24**

The Council was responsible for ensuring that its business was conducted in accordance with the law and proper standards, and that public money was safeguarded and properly accounted for, as well as used economically, efficiently and effectively.

In discharging this overall responsibility, the Council was also responsible for putting in place proper arrangements for the governance of its affairs which included arrangements for the management of risk.

The Governance Statement had been prepared using the assurances provided from a variety of sources including external and internal audit, the strategic risk register, and the various other external reviews that took place. The statement was signed by the

Chief Executive and the Leader of the Council, who had a responsibility to ensure that the document is supported by reliable evidence and accurately reflects the Council's internal control environment.

As a result of delays in the completion of the Council's recent Statement of Accounts 2023/24 there had also been a delay to the completion of the Annual Governance Statement. As such it was noted that the statement would continue to operate up to the date of the approval of the Statement of Accounts and a further review of the statement may be required prior to their completion in order to ensure the statement remained valid.

#### 49/24 **Internal Audit Progress Report**

The Internal Audit Progress Report contained details of the matters arising from internal audit work undertaken between April and October 2024.

Limited assurance had been given in two areas – Heritage Assets (including Civic Regalia) and Housing Revenue Account: Capital Budgets. Several red, amber and green recommendations had been made following the reviews, all of which had been accepted.

From the comments and questions by members, the following responses were made, and issues highlighted:

- An updated record of civic regalia was now in place and items had been insured appropriately. Record keeping included both items which the Council owned which were on loans to locations outside the Borough and items which were on loan to the Council on a temporary basis.
- Gas Certificates at Riverside Group housing association had undergone significant improvement.
- Oracle Fusion implementation had encountered some teething problems, notably in relation to employees booking annual leave, however support teams were providing support to staff as part of the implementation programme.

#### 50/24 **Internal Audit Standards Update**

From 1 April 2025 internal audit teams in the public sector would be working to new internal audit standards following changes to the Global Internal Audit Standards (GIAS).

Whilst much of the day- to- day practice of undertaking internal audit engagements would not change, there would be updates made to the charter, plans and other documents to comply with new standards.

## 51/24 **Review of Grant Thornton Recommendations**

In March 2024, the Council was no longer in intervention and, as a result, the improvement plan was concluded. Any remaining open actions have continued to be monitored via an assurance action plan.

Four key recommendations were made by Grant Thornton in December 2023, all of which were on track. A further 26 recommendations were also made, of which 24 were on track. The 2 recommendations made in relation to 'financial reporting' and 'performance management and other matters' had encountered slippage.

## 52/24 **Grant Thornton Report - Annual Audit Report 2023/ 24**

The Committee considered the Annual Audit Report 2023/ 24 which incorporated its annual value for money assessment.

There was a positive report for the Council and significant progress had been made.

The report focused on three key themes:

### **Financial Sustainability**

The Council had maintained a good track record of delivering a stable and sustainable financial position. There were no significant weaknesses in arrangements identified, although four improvement recommendations were made.

### **Governance**

Over the previous three years the Council had demonstrated extensive improvements in governance and leadership culture, including having established effective governance mechanisms with suitable oversight.

Weaknesses included the delayed production of financial statements, however no new weaknesses in governance arrangements were identified, although two new improvement recommendations were made.

### **Economy, efficiency and effectiveness**

The Council had made significant progress in improving its economy, efficiency and effectiveness during a period of transition. The significant weaknesses in arrangements in relation to housing services had persisted from the previous year, however substantial improvement had been made.

Additionally, no new weaknesses in arrangements were identified, although two new improvement recommendations were made.

53/24

### **Audit and Risk Assurance Committee Work Programme 2024/25**

The Committee noted its work programme for the 2024/ 25 municipal year.

Meeting ended at 6.35pm

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