

**Committee and Date**

Audit Committee

22 June 2023

**MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 14 FEBRUARY 2023  
10.00AM – 13.15PM****Responsible Officer:** Michelle Dulson

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**Present**

Councillor Brian Williams (Chairman)

Councillors Simon Harris (Vice Chairman), Nigel Lumby, Roger Evans and Rosemary Dartnall

**57 Apologies for Absence / Notification of Substitutes**

No apologies were received.

**58 Disclosable Pecuniary Interests**

Members were reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

**59 Minutes of the previous meeting held on the 24 November 2022**Dog Warden

Concern was raised that reference to Members' request for a management report on the Dog Warden did not appear in the Minutes of the previous two meetings. The Committee Officer explained that reference had been made in the Minutes of the 15 September but agreed that it appeared to have been omitted from the Minutes of the 24 November 2023.

*NB. Subsequent to the meeting, the Committee Officer confirmed that reference had been made in paragraph 25 of the Minutes of 15 September 2023 and item 49 paragraphs 4 and 5 of the Minutes of 24 November 2023 (the Minutes of 15 September did not refer specifically to the Dog Warden but referred to 'management reports for those areas that had attracted unsatisfactory and limited assurance opinions' for which the dog warden was one).*

**RESOLVED:**

That the Minutes of the meeting of the Audit Committee held on the 24 November 2022 be approved as a true record and signed by the Chairman, subject to the above.

Matters arising:

The Interim Audit Service Manager confirmed that it had been agreed to delay the management report from the dog warden that had been due to be received at this meeting as the officer providing the update had been off sick and had not been able to affect the changes needed. In the meantime, however she had been provided with updates to show the actions being taken in that area so she was able to confirm that work was being done and that the officer would attend the next meeting to give an update.

Minute 44 A. First line assurance: IT Services, improvements to the control environment following various Audit Reports 2022/23

The Executive Director of Resources (Section 151 Officer) read an update from the Head of Automation and Technology who confirmed that it was possible to use the existing technology to enable voicemail for all officers who have external calling enabled however this function was currently turned off by default. It was now being recommended to turn it on by default instead and this was being taken forward. In response to a query about Skype, which has the ability for messages to be left, it was confirmed that this service was being decommissioned by Microsoft however there were other methods of low or no cost messaging available.

In relation to the outstanding recommendations in relation to IT that needed to be resolved, the External Auditor explained that this information would come as part of the Audit Findings report which had been delayed as the outstanding information was still awaited.

**60 Public Questions**

There were no questions from members of the public.

**61 Member Questions**

There were no questions from Members.

*It was agreed to take Agenda items 13 – Internal Audit Performance report and revised Annual Audit Plan 2022/23 and 15 – Internal Audit Plan 2023/24 next.*

**62 Third line assurance: Internal Audit performance report and revised Annual Audit Plan 2022/23**

The Committee received the report of the Interim Audit Service Manager – copy attached to the signed minutes - which provided members with an update of work undertaken by Internal Audit in the three months since the November Audit Committee. 64% percent of the revised plan has been completed (see Appendix A, Table 1), which is below previous delivery records (73% 2021/22; 79% 2020/21).

The Interim Audit Service Manager informed the meeting that two good, three reasonable and two limited assurance opinions had been issued and that the seven final reports contained 85 recommendations, none of which were fundamental. Minor revisions had been made to the planned activity however this had not led to a change in the number of days required.

The Interim Audit Service Manager explained that productivity had been impacted and audit's were taking longer to complete due to capacity issues in some service areas, these issues had been raised with the Section 151 Officer. There had also been an issue with the external contractors who had been delayed in starting their work however assurances had been received that the planned work would be completed by year end where the service area is engaging with the audit process.

Concern was raised that it appeared that some officers were not prioritising audit despite its importance, and assurances were sought that the audit team were getting cooperation across all service areas of the Council and that there was better recognition of the importance of the audit function. In response, the Executive Director of Resources (Section 151 Officer) felt that the concerns raised were well made and highlighted the exact issue that was being faced and that was reflected in the report.

He explained that capacity was an issue across the Council at the moment as a lot of the work within some service areas had been delayed or put on hold due to covid and the backlog that that had then been created which was now being worked through, along with the changes that have been made whereby a number of services have been impacted by new initiatives and new areas of work requirements that have been placed on them and then at the same time along comes the internal audit team saying we have this plan to work through. He reported that they were trying to balance those issues together and what was really important was that the audit plan had sufficient coverage across the organisation to ensure that at the end of the year an audit opinion could be provided and against that backdrop, consideration of what the actual outcomes were of the audit work that had been done so far. If every audit that was completed was coming back as a good or reasonable, that would require a different consideration than if all of the audits coming back were limited or unsatisfactory.

He reported that there was going to be pushback from services quite reasonably and quite widely and in order to manage that they would try and adjust and accommodate those requests where possible but there came a point when these requests could not be accommodated any further and that the work would have to be undertaken. So it was a mix of that and what the report was trying to flag was that that was a consideration that they had to work through and there was a risk as part of that that there could be some work that would not be completed on time.

These issues were being raised with himself as Section 151 Officer and in turn, in conversations with various officers across the organisation to justify and recommit to the importance of ensuring this work was completed. The view at the moment was that the audit plan could still be completed by year end and would give sufficient coverage to ensure that an audit opinion could be formed, however it was still a risk.

Further concern was raised around the staffing levels of audit and the experience within the team as experienced officers were leaving and being replaced by trainees,

along with contractors being employed to fill the gaps. The Committee sought reassurance that the audit team were capable of doing the required work. In response, the Executive Director of Resources (Section 151 Officer) explained that they had worked very hard to ensure that the team was experienced and despite the new starters and trainees, they ensured that the most experienced officers were undertaking those audits where the highest level of assurance was required, and any issues would be flagged with himself.

He informed the meeting that when external contractors were employed, the Council specified that they wanted experienced auditors who were experienced in particular areas and this could be an advantage as they would bring a different insight which could be helpful. Obviously, if there were more people in the audit team this could provide wider coverage and make delivery of the audit opinion by the end of the year easier, but it would not necessarily make it better. In response to a query the Executive Director of Resources (Section 151 Officer) explained the reason for the delay in contractors starting work but reassured the Committee that the work was still to be delivered over the period.

The Interim Audit Service Manager confirmed that regular meetings were held with the external contractors and that work was underway. Assurance had been received that the work would be completed by year end. She addressed the issue of recruitment which had been challenging but she reassured the Committee that although there were gaps in the team, the quality of the audit was their prime concern and that all work was supervised by an experienced auditor. Members offered their support in raising awareness with senior officers the importance of audit, especially around the key system areas, and, whilst this support was appreciated, it was not yet required.

A brief discussion ensued around the capacity of the Council to deliver its functions due to the reducing capacity and how to address this. The Executive Director of Resources (Section 151 Officer) responded to concerns around audit pressures and whether the internal control environment was strong and robust with strong governance around it. He explained that the service was not looking to review every area as that would not be appropriate, but it was about ensuring they were looking at those areas that gave confidence that the control environment was working appropriately. He reported that the audit plan would change over time as the organisation changed the way in which it worked.

The Executive Director of Resources (Section 151 Officer) responded to concerns around the impact that covid was still having on the work of some service areas and he reported that the back log was however coming to an end. A query was raised as to whether there was a correlation between those services still affected by covid and a lack of capacity. In response the Executive Director of Resources (Section 151 Officer) emphasised that each case was considered on a case-by-case basis.

A brief discussion ensued around managers' perception of the audit function. The Executive Director of Resources (Section 151 Officer) explained that audit was not there to go in and find a problem but more to understand and clarify any issues and to set out solutions and this independent view could add a lot of value to the service. Concern was raised that Internal Audit were being encouraged to step back and not go into particular service areas because it was too difficult. It was their job to ensure the controls in place were functioning correctly and it was worrying if they were not

getting cooperation from managers which suggested that there was something that was not quite right in the department. It was up to Internal Audit to ensure that the processes and procedures were followed and that is what should give the Committee comfort there wasn't any malfeasance going on.

In response to a query, the Interim Audit Service Manager explained that the target was 90% of the plan completed by year end. She felt that although it was a challenge, she was confident that it would be achieved. If there were areas they felt were 'no go', this would be raised with the Executive Director of Resources (Section 151 Officer) or the Chief Executive and ultimately would report to Committee that no assurance could be provided in that area because they could not engage in an audit. However, as they did not want to be in that position, they would work with the business to get that audit completed.

In response to a further query, the Executive Director of Resources (Section 151 Officer) explained that there would be a point whereby the internal control environment became a Strategic Risk, if Internal Audit fell below a certain level and he agreed to look into this.

**RESOLVED:**

To note the performance of Internal Audit against the 2022/23 Audit Plan.

**63 Third line assurance: Internal Audit Plan 2023/24**

The Committee received the report of the Interim Audit Service Manager – copy attached to the signed minutes - which provided Members with the proposed risk based Internal Audit Plan for 2023/24. The Interim Audit Service Manager drew attention to paragraph 7.3 of the report which gave a brief description of the approach taken to create the audit plan, which was risk assessed and reviewed annually. She highlighted the challenges facing the Council including roll out of the Shropshire Plan. The approach taken was similar to that of the previous year whereby there was a core plan and a call off list that gave the ability to respond in an agile way as things changed.

The Interim Audit Service Manager took Members through the Appendices. Appendix A showed that there were 1,398 days available for internal audit with 199 days for external clients. She explained the process for matching resources against the risk, and drew attention to those high-risk areas, set out in Appendix B, which would not be audited this year and which were areas that Members may wish to seek first line assurance. There were also areas of low risk which would also not be audited. She was happy that the plan gave enough coverage to provide a year end opinion whilst responding to the level of change anticipated this year and provided 64% for planned audits and 36% for any unplanned work (from the call off list). The Interim Audit Service Manager then highlighted the key points in paragraph 7.13.

In response to concerns around the significant changes within the team including the retirement of the Head of Audit and several other resignations, the Executive Director of Resources (Section 151 Officer) reported that following the retirement of the Head of Audit, two experienced auditors had been appointed as Interim Audit Service Managers and that a Head of Policy and Governance role was currently being recruited to and it was hoped to have someone in place within the next few months.

Officers confirmed that they were not concerned about the reasons for the resignations within the team and that some of those officers remained within the Council.

A brief discussion took place around the ability of the Committee to request Managers for any areas of concern to provide assurances directly to them (Paragraph 7.11). The Executive Director of Resources (Section 151 Officer) explained that this was a question for the Committee, and he gave an example of where, in their role as Members, issues may come to their attention, for example PFIs, where they felt further assurances were required especially in those areas that would not be guaranteed an audit in the next twelve months. If Committee Members had any particular concerns these should be raised with the Chairman or the Interim Audit Service Manager who could request the relevant manager to come to a future meeting or it could be covered by way of a training topic. Members felt that PFIs were a good example and requested that it be included as a topic on the next training session.

Members were concerned around the 10% reduction of full-time equivalent posts appointed to (10 of the 12 currently in the establishment) and whether the two vacant posts would be filled, along with the reduced number of days available for planned audits and wished those concerns to be recorded. In response, the Interim Audit Service Manager explained that there was not a minimum number of days before internal audit became ineffective as it was just part of the overall risk and obviously as the risk increased, they needed to ensure they had the minimum level of cover in order to provide assurance. The Executive Director of Resources (Section 151 Officer) went on to say that it was a complicated risk assessment whereby balance and professional judgment came in to play. He gave assurance that there were no plans to reduce the number of full-time equivalent posts within the establishment.

**RESOLVED:**

To note the approach taken to create the proposed Internal Audit Plan for 2023/24 and to approve its adoption.

**64 First line assurance: Purchase Ledger control improvements**

The Committee received the report of the Assistant Director Finance and Technology (Deputy S151 Officer) – copy attached to the signed minutes – which provided an update on the actions to address the recommendations arising from the 2021/22 Purchase Ledger Audit report. He explained that it was part of the work that himself and the Head of Finance Management & Reporting were doing to ensure, both within the finance team but also more broadly across the Council, that work was up to date and that best practice was being followed around purchase ledger issues.

In response to concerns, the Deputy S151 Officer explained that some of the key work, particularly around the ‘no purchase order no pay’ policy, and the way it was being worked through both in terms of the way in which budget holders process payments through the ledger but also in terms of the way that was reported internally, prominence was increasingly being given to where purchase orders were being raised in a timely manner versus those areas where, for example, the invoice was received and then the purchase order raised (ie in reverse). There was a number of financial and control reasons why that was not a great way to work and

more simply it was a more time-consuming process to do it that way so they were trying to save colleagues time by helping them do it in the right way.

The Head of Finance, Management & Reporting added that when ERP went live, although improvements were made to a number of processes, one thing that wasn't implemented straight away was the 'no purchase order no pay' approach. 18 months down the line that was implemented, so whilst it was now in use across the Council, it was not being applied perfectly, which has led to some of the issues that have been identified in the report and therefore further work needed to be done to ensure the policy was being applied consistently.

In response to concerns around the procure to pay process, the Deputy S151 Officer explained that the supplier had been held to account around those issues and significant progress had been made. He went on to explain that the workflow processes had proved to be quite complicated to unpick and understand the problem but were now in the process of putting together a fix, so, although at the point of preparing the report, the rectification was not yet complete, there was a clear line of sight into exactly how that would be achieved and work was ongoing to get that in place as quickly as possible.

A query was raised around the Council's contingency arrangements in case of IT failure and whether more work was still to be done. In response, the Deputy S151 Officer stated that the Council would always need to do more work on contingency arrangements, and he informed the Committee that the level of cyber-attacks being dealt with by IT had increased from half a million a day last summer to around 3.5m a day. He reported that work was being undertaken around contingency arrangements and improving back up arrangements. IT had also worked with a third-party supplier, so that they were no longer relying on the 3 or 4 members of the retained permanent staff to help defend against cyber-attacks, and they also had the benefit of working with a supplier that provided the Council with 24/7/365 cover.

He went on to explain that they had now automated regular reviews of firewalls that were in operation which sometimes identified that a patch had not been applied or that an update was available, so they were able to get ahead of those attacks that were being batted away. The contingency plans that had been put in place around a failure and the cyber preparedness had placed the Council well ahead and would continue to be a core area of activity into the future and although there was a lot of challenges there was also a lot of good activity that had been undertaken in recent months to improve the Council's position but they would not rest on their laurels because this area would continue to get more challenging.

**RESOLVED:**

to note the contents of the report and the progress made to date to address the 2021/22 Purchase Ledger audit recommendations.

**65 First line assurance: Much Wenlock Leisure Centre control improvements**

The Committee received the report of the Head of Culture, Leisure and Tourism – copy attached to the signed Minutes – which highlighted progress made in the management and financial procedures at Much Wenlock Leisure Centre following an unsatisfactory audit report.

The Head of Culture, Leisure and Tourism explained to the Committee that Much Wenlock Leisure Centre was managed by Shropshire Council on behalf of William Brookes School. She further explained that staffing issues and the impact of lockdowns had delayed completion of the recommendations contained in the Audit report however good progress was now being made with 25 out of the 43 recommendations having been addressed, and the remaining 18 were in progress.

The Infrastructure, Contracts and Compliance Manager had been working with staff across the Leisure Centre to implement the required changes and it was hoped to deliver the outstanding recommendations by June 2023. The Head of Culture, Leisure and Tourism explained that the learning from this audit would be adopted to inform how the other leisure centres managed by Shropshire Council were run.

Finally, the Head of Culture, Leisure and Tourism fully supported the approach that the Interim Audit Service Manager took when undertaking audits, which was about helping them get things right rather than catch them doing things wrong.

#### **RESOLVED:**

1. to note the contents of the report.
2. to note the progress made addressing the recommendations from the audit report.
3. to note the commitment to completing the outstanding actions.

#### **66 Second line assurance: Strategic Risk Update**

The Committee received the report of the Risk and Business Continuity Manager – copy attached to the signed minutes – which set out the current strategic risk exposure following the December 2022 bi-annual review.

She reported that three risk scores had changed, one had gone up (Inability to deliver a balanced budget) and two had gone down (Failure to Safeguard vulnerable children and ICT Infrastructure reliance) and that a new risk had been added (Recruitment, Retention & Succession Planning) as set out in the report. She explained that the Ability to Fund Children's Services risk was to be split into two different risks (Ability to Fund Children's Social Care & Safeguarding and Ability to Fund Learning & Skills).

The Annual Strategic Risk workshop with the executive management team would be held in June 2023 when all risks would be discussed in detail and would include an assessment of any slippages and agreement of new target scores for 2023/24.

In response to a query the Executive Director of Resources (S151 Officer) explained that the North-West Relief Road (NWRR) project could be considered against two risks – a financial one and a project one. The financial risk sat within the 'Inability to deliver a balanced budget' risk and he confirmed that there would be a specific Project Risk Register around the NWRR project which would consider the deliverability risks associated with the project. The Risk and Business Continuity



Manager confirmed that there was a robust risk register in place and that there had been a lot of work undertaken with the Department of Transport in relation to how funding was spent. She explained that a final business case would be presented to full Council before final submission to the Department of Transport which would give Members the opportunity to discuss and comment upon it. She informed the meeting that the project lead was always happy to come and discuss matters of concern with Audit Committee, if necessary.

A query was raised as to whether the risk to the Council of the NWRR project not going ahead was included within the risk register. The Risk and Business Continuity Manager confirmed that it was and that the project risk register would be monitored on a regular basis and if it did not go ahead this would feed into the 'Inability to deliver a balanced budget' strategic risk.

**RESOLVED:**

to accept the position as set out in the report.

**67 Second line assurance: Treasury Strategy 2023/24**

The Committee received the report of the Executive Director of Resources (Section 151 Officer) – copy attached to the signed Minutes – which proposed the Treasury Strategy for 2023/24. It set out the arrangements for how the council would appropriately manage its arrangements for banking, cash flow management, investments, and borrowing, supporting the delivery of the MTFs and The Shropshire Plan.

The Executive Director of Resources (Section 151 Officer) explained that the report set out the current market conditions that the Council were working within along with the prudential indicators which gave a measure of the financial viability from a capital point of view and a borrowing point of view for the organisation. He informed the Committee that going forward the treasury management function would sit with the Assistant Director of Finance and Technology (Deputy Section 151 Officer).

In response to a query, the Executive Director of Resources (Section 151 Officer) explained that the prudential indicators were set by CIPFA as part of the Prudential Code. He further explained that the colour coded bands were used for the specified investments and were used to determine how long the Council could invest in those organisations and what their creditworthiness was. Concern was raised about lending to other local authorities as they were not rated, in response, the Executive Director of Resources (Section 151 Officer) explained that local authorities could not go bust as they were underwritten by Central Government.

**RESOLVED:**

to endorse the Treasury Strategy 2023/24

**68 Second line assurance: Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities, including an update on the National Fraud Initiative**

The Committee received the report of the Interim Audit Service Manager – copy attached to the signed Minutes – which outlined the measures undertaken to evaluate the potential for the occurrence of fraud, and how the Council manages these risks with the aim of prevention, detection, investigation and subsequent reporting of fraud, bribery and corruption.

The Interim Audit Service Manager drew attention to paragraph 8.1 onwards which detailed the areas that had been reviewed. She reported some minor changes to the Policy which was attached to the report at Appendix A. She explained that they looked at best practice via CIPFA's Code of Practice on management risk of fraud along with other bodies such as Alarm and the National Fraud Authority.

The Action Plan approved by the Committee was set out at Paragraph 8.10 of the report and sought to ensure that the risk of fraud across the Council was reviewed. The Interim Audit Service Manager reported that they were in the middle of the next National Fraud Initiative exercise and were currently working through the results with the relevant service areas.

In response to a query, the Interim Audit Service Manager confirmed that she would circulate the figures for how many employees had yet to complete the anti-fraud e-learning outside of the meeting. The Executive Director of Resources (Section 151 Officer) explained the escalation processes to ensure this and other mandatory training was completed.

**RESOLVED:**

To note the Counter Fraud, Bribery and Anti-Corruption Strategy and measures undertaken and detailed in the report to manage associated risks with the aim of prevention, detection and subsequent reporting of fraud, bribery and corruption.

**69 Governance Assurance: Annual review of Audit Committee Terms of Reference**

The Committee received the report of the Executive Director of Resources (Section 151 Officer) – copy attached to the signed Minutes – which provided an updated version of the Terms of Reference for the Audit Committee for approval. It was noted that there had been no significant changes made.

**RESOLVED:**

That the revised Audit Committee Terms of Reference be approved.

**70 Governance Assurance: Draft Audit Committee work plan and future training requirements**

The Committee received the report of the Interim Audit Service Manager – copy attached to the signed Minutes – which provided a proposed Audit Committee work plan and sought agreement around a learning and development plan for Members to ensure that they are well informed and appropriately skilled to fulfil their role.

The Chairman drew attention to the new and significant ways of working that was being introduced across the Council as a whole to reduce costs and deliver a balanced budget in 2024/25 and he queried when the Committee would be hearing

about it in order that they understood how it could impact on their audit work. In response, the Executive Director of Resources (section 151 Officer) explained that this needed to be considered as part of the audit planning work in terms of the control framework and which elements of it were appropriate for Audit Committee to consider, possibly as part of a training session. This was agreed by the Committee.

**RESOLVED:**

1. To approve the Audit Committee work plan for 2023/24, set out at Appendix A
2. To approve the learning and development plan for Members of the Committee taking into account information in Appendices A and B.
3. That appropriate elements of the new ways of working be looked at in a future training session.

**71 Third line assurance: Report of the Audit Review of Risk Management**

The Committee received the report of the Interim Audit Service Manager – copy attached to the signed Minutes – which detailed the results of the Internal Audit review of the Risk Management system which had been assessed as ‘good’ with the identification of minor control weaknesses. The focus of the review had been on user compliance with processes around operational and project risks.

**RESOLVED:**

to endorse the findings from the review of Risk Management by Internal Audit.

**72 Second line assurance: Approval of the Council's Statement of Accounts**

The Committee received the report of the Executive Director of Resources (Section 151 Officer) – copy attached to the signed Minutes – which sets out the audited Statement of Accounts for 2020/21 and 2021/22, and detailed any amendments made to the Draft Statement of Accounts during the audit process.

The Executive Director of Resources (Section 151 Officer) reported that the 2020/21 and 2021/22 accounts were both yet to be signed off. The Assistant Director of Finance and Technology (Deputy Section 151 Officer) informed Members that a lot of work had been done by the finance and accounting team along with really good support from the External Audit team and was moving forward steadily with only a couple of points to be resolved.

The Head of Finance, Management and Reporting explained that work was ongoing with External Audit around the infrastructure assets as the relevant regulations had been issued quite late in January so the implications of this then had to be worked through. External Audit now had the Council’s documentation around its proposals and how these were being fed into the accounts. External Audit had asked a few questions around that and there were just a few bits that needed to be signed off.

In response to a query in relation to West Mercia Energy, the Executive Director of Resources (Section 151 Officer) explained that this was a Joint Committee owned by four local authorities including Shropshire Council with approximately 30 external clients. The Joint Committee had a long-term arrangement with a gas and electricity provider and the contract was renewed on the open market every 3 or 4 years. Based on an assessment of volumes for all their customers, West Mercia Energy bought that energy on the market and because of how the procurement worked, were able to release it back into the market or buy more depending upon the market at that particular point in time. This had the advantage that much of the 2021/22 and 2022/23 electricity had already been pre-purchased before the increases. Obviously, they would not keep buying ahead and eventually would have to buy at the higher level. Some external clients wished to buy in on fixed term contracts and the cost would depend on when somebody signed up to their contract. All this was used to manage the way energy was procured by West Mercia Energy.

Finally, the Engagement Lead responded to a number of queries in relation to pfi contracts.

**RESOLVED:**

1. to approve the 2020/21 Statement of Accounts and 2021/22 Statement of Accounts and that the Chairman of the Audit Committee signs them (in accordance with the requirements of the Accounts and Audit Regulations 2015).
2. to agree that the Executive Director of Resources be authorised to make any minor adjustments to the 2020/21 and 2021/22 Statement of Accounts prior to publication on the Council's website.
3. to agree that the Executive Director of Resources and the Chairman of the Audit Committee sign the letter of representation in relation to the 2020/21 and 2021/22 financial statements on behalf of the Council and send to the External Auditor.

**73 Third line assurance: External Audit, Audit Findings Report 2020/21 and 2021/22**

The Committee received the report of the External Auditor - copy attached to the signed Minutes - providing the Audit Committee with an update on progress by Grant Thornton in delivering their responsibilities as the Council's External Auditors, and other relevant updates and emerging issues.

The Engagement Lead concurred with the Head of Finance, Management and Reporting that they were in the closing processes of finishing both the 2020/21 and 2021/22 audits. He explained that the work around the infrastructure impact had been unknown at the time, however, following publication of the Statutory Instrument and CIPFA guidance they had been working through this and how it would impact on the Council. It was hoped to finalise everything in the next couple of weeks and bring the audits to a conclusion.

Turning to the Audit Findings Report, the Engagement Lead informed the Committee that they would get a finalised audit findings report bringing everything together for

their information. He then drew attention to the Audit Findings update on the last two pages of the report and he answered a number of queries from Members.

**RESOLVED**

That the Audit Committee note the report

**74 Date and Time of Next Meeting**

The next meeting of the Audit Committee would be held on the 22 June 2023 at 10.00am.

**75 Exclusion of Press and Public**

**RESOLVED:**

That in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations and Paragraphs 2, 3 and 7 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

**76 Exempt minutes of the previous meeting held on the 24th November 2022**

**RESOLVED:**

That the Exempt Minutes of the meeting of the Audit Committee held on the 24 November 2022 be approved as a true record and signed by the Chairman.

**77 First line assurance: Payroll control improvements 2022/23**

The Committee received the report of the Assistant Director – workforce and Improvement – copy attached to the signed Minutes – which provided an update on the actions to address the recommendations arising out of the Payroll Audit for 2021/22.

**RESOLVED:**

to note the contents of the report and the progress made to date to address the audit recommendations.

**78 Internal Audit: Fraud, Special Investigation and RIPA Update (Exempted by Categories 2, 3 and 7)**

The Committee received the exempt report of the Interim Audit Service Manager which provided a brief update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control environment, together with an update on current Regulation of Investigatory Powers Act (RIPA) activity.

**RESOLVED:**

That the contents of the report be noted.

Signed ..... (Chairman)

Date: .....