

## **Governance Committee**

1. The report summarises the business undertaken at the Governance Committee meeting held on Wednesday, 24 May 2023.

## **General Report of the meeting held on 24 May 2023**

### **External Audit Progress Report**

2. Georgia Jones of Grant Thornton PLC presented a report which provided an update on progress in delivering their responsibilities as the Council's External Auditor.
3. We were advised that the External Auditors were aiming to have signed off the financial statements by November.
4. The External Auditor advised work was ongoing to certify the Authority's annual Housing Benefit Subsidy claim and they were expecting to complete this work by 31 May 2023.
5. We also received an update on the proposed and actual fee's and noted there could be some additional fees charged for 2021/22 as the work on the value for money audit had not yet concluded.

### **External Audit Plan 2022/23**

6. We were presented a report that provided an overview of the planned scope and timing of the statutory audit for the year ending 31 March 2023.
7. We noted that three risks had been identified as significant and these would be subject to a full scope audit.

### **Management Response to External Audit Planning Queries 2022/23**

8. The Director of Finance presented a report that provided the management responses provided to the planning enquiries made by the External Auditors, Grant Thornton, as part of their audit of the 2022/23 statutory accounts.
9. We were advised the questions were asked every year and included general questions on significant events, assessments of policies and an assessment of how changes to legislation could impact the financial position of the authority.

### **CIPFA Resilience Index 2021/22**

10. The committee considered a report of the Director of Finance that presented the latest CIPFA Resilience Index (2021/22) compared to the previous published indices.

11. The Principal Financial Accountant explained the index gave assurance of financial health and highlighted opportunities and weaknesses. It also shows the position of the authority in a comparative group of similar authorities.

### **Charities & Trust Funds Final Accounts 2022/23**

12. The Principal Financial Accountant presented a report of the Director of Finance that presented, for approval, the accounts for the year ended 31 March 2023 for the charities and trusts for which the Council is the sole trustee.

### **Internal Audit Effectiveness Review**

13. The Head of Audit and Risk presented a report that provided the results of the self-assessment carried out by Internal Audit against the requirement of the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).
14. The Head of Audit and Risk explained that a self-assessment needed to be undertaken annually so the service could demonstrate how it complies with PSIAS and assures members they can place reliance on the opinions given by Internal Audit. Of 135 aspects the service had confirmed compliance with 125 in full, five were non applicable and 1 partial performance which was included in the Annual Governance Statement. External assessment of the review would start in June.

### **Internal Audit Annual Report and Opinion 2022-23**

15. The Head of Audit and Risk presented a report that summarised the work undertaken by the Internal Audit Service during 2022/2023 giving an opinion as required by the Public Sector Internal Audit Standards (PSIAS) on the adequacy and effectiveness of the Council's framework of governance, risk management and control.
16. The report also gave the results of the Quality Assurance and Improvement programme.
17. We noted the council had adopted a three line defence model and internal audit would test to ensure systems are operating as they should be, it was noted there had been a number of limited reports issued.
18. We asked about the issues relating to GDPR. The Director of Governance explained there had been a series of findings and management actions agreed. Policies would be updated and aligned across both authorities and Service Leads would be asked why their staff had not completed their mandatory training as, the completion rate of 71% was not adequate.

### **RIPA Application Update**

19. We received a verbal update at the meeting.

### **Closure of Bank of Scotland Account**

20. The Director of Finance explained in the 2021/22 External Audit recommendations, it was requested that the Council improve its approach to reconciliation of bank accounts.
21. We noted that a full review was taken, and it highlighted that as the Bank of Scotland account had been dormant for several years, it would be appropriate to close the account and transfer the funds to an active account.

### **Draft Annual Governance Statement**

22. We considered a report of the Director of Governance that sought to present the draft Annual Governance Statement (AGS) for 2022/23.
23. Members noted the AGS referred to a number of limited assurance Internal Audit reports issued this year and noted the table within the AGS that highlighted the areas for improvement, suggested improvements and progress made.

### **Recommendation**

24. To note the report.

Councillor Alan Platt  
Chair of Governance Committee

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