

## **Audit Committee**

**Wednesday, 26 May 2021**

Present: K Robinson (Chair)  
M Wilkinson  
Councillors L Arkley, G Bell, L Bell, D Cox, J Mole,  
J O'Shea and J Stirling

### **AC/1/21 Apologies for Absence**

There were no apologies for absence reported.

### **AC/2/21 Declarations of Interest and Dispensations**

There were no Declarations of Interest of Dispensations reported.

### **AC/3/21 Minutes**

**Resolved** that the minutes of the Committee held on the 24 March 2021 be confirmed as a correct record and signed by the Chair.

### **AC/4/21 Audit Planning Report**

The Committee was presented with the provisional Audit Planning Report for the year ending 31 March 2021. The report set out how the external auditors intended to carry out the audit of the Authority. It was explained that the plan summarised the external auditor's initial assessment of the key risks which would drive the development of an effective audit of the Authority and outlined the planned strategies in response to those risks. Reference was made to the Covid-19 funding of over £100m which had been received by the Authority during 2020/21 and it was noted that this would form part of the external auditor's wider consideration of grant funding

Reference was made to issues in relation to the Northumberland County Council accounts and pension fund which had impacted on the ability to move the North Tyneside audit forward. It was explained that the auditors needed to have the accounts and pension fund concluded so that it had suitable opening balances to work with. It was also explained that they also needed certain assurances from the pension fund auditors and it was hoped that these would be provided shortly.

**Resolved** that the report be noted.

### **AC/5/21 Update on the 2020/21 Final Accounts**

Consideration was given to a report which provided an update on the closure of the 2020/21 accounts.

It was noted that the requirement for the public to be able to inspect the accounts had been put back to the 1 August 2021 which meant that the draft version of the accounts had to be published by the 31 July 2021 at the latest.

It was explained that it was intended to have the draft accounts available by the middle of June 2021 and it was anticipated that the Authority's external auditors would begin their audit of the 2020/21 accounts in July 2021.

**Resolved** that the work on the closure of the 2020/21 accounts be noted.

**AC/6/21            Opinion on the Framework of Governance, Risk Management and Control**

Consideration was given to a report which set out the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of the organisation's Framework of Governance, Risk Management and Control.

It was explained that the Chief Internal Auditor had a duty under the Public Sector Internal Audit Standards to provide such an opinion each year. The report detailed the work carried out by internal audit during the year, highlighted the main findings from the work and gives the opinion of the Chief Internal Auditor. The report had been designed to give the Authority a level of assurance in the preparation of its Annual Governance Statement.

It was explained that the opinion of the of the Chief Internal Auditor, at the time of preparing the report, was that the organisation's internal control systems in the areas audited were satisfactory, which was a positive assessment and reflected favourably on the Authority's governance arrangements.

It was noted that the Coronavirus pandemic had brought about a number of changes to the Authority's risk profile and operations and this had resulted in the internal audit's planned coverage changing to take account of the emerging risks which faced the Authority and its impact on the Framework of Governance, Risk Management and Control.

**Resolved** that the Chief Internal Auditor's 2020/21 satisfactory opinion on the overall adequacy and effectiveness of the Framework of Governance, Risk Assessment and Control be noted.

**AC/7/21            Key Outcomes from Internal Audit Reports issued between November 2020 and May 2021**

Consideration was given to a report which presented the key outcomes of internal audit reports issued between November 2020 and May 2021. The report highlighted the findings from the reports, detailed the areas of good practice which had been identified and set out the action which had been taken by management in response to the findings of each audit. It was also explained that internal audit had supported a number of special investigations and management requests over the period of the report.

Members queried works in relation to the use and control of Section 106 (S106) Funding

and the Community Infrastructure Levy. Reference was made to the systems in place to ensure the timeliness of the spending of the S106 monies received by the Authority and whether there were appropriate penalty clauses incorporated into S106 agreements. Members commented on the added flexibility that the Community Infrastructure Levy had over S106 agreements.

**Resolved** that the key findings, the good practice identified, and the management action taken in response to Internal Audit Reports issued between November 2020 and May 2021 be noted.

**AC/8/21          Exclusion Resolution**

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

**AC/9/21          Strategic Audit Plan 2020/21 - Final Monitoring Statement**

Consideration was given to a report which set out the final monitoring statement in respect of the Strategic Audit Plan for 2020/21. Details of the programmed works which had been planned to be completed during the year were presented along with an update on those which had been completed or started and those which were no longer required at this stage, following a further risk assessment. It was explained that a significant amount of resources, including that of internal audit, had been applied to the Authority's response to the Covid Pandemic.

**Resolved** that the Strategic Audit Plan Final Monitoring Statement be noted.