

Audit Committee

Wednesday, 27 September 2023

Present: M Wilkinson (Chair)
Dr S Green (Deputy Chair)
Councillors D Cox, L Marshall, T Mulvenna, T Neira
and J O'Shea

Apologies: Councillors L Bones and A Spowart

AC/20/23 Appointment of Substitute Members

There were no Substitutes reported.

AC/21/23 Declarations of Interest and notification of any Dispensations Granted

There were no declarations or dispensations reported.

AC/22/23 Annual Statement of Accounts 2021-22 and 2022-23

Consideration was given to a report which provided an update on the progress made in relation to the approval of the 2021/22 Audited Annual Statement of Accounts. The report also provided an update on the 2022/23 audit process.

It was explained that the 2021/22 draft audit results report had been presented to the Committee at its meeting held on 22 March 2023 and an update had been provided to the Committee on 26 July 2023 which had indicated that further work had been required in relation to audit testing on the Pension Assurance Statement from the Tyne and Wear Pension Fund. The Committee was advised that Ernst & Young (EY) had now concluded its work and had issued an updated Audit Results Report that detailed the outcome of the external audit of the Authority's 2021/22 Financial Statements. It was explained that it was hoped to be able to sign-off the accounts in the next few weeks.

It was explained that EY had commenced work on the audit of the 2022/23 financial statements. However, it had been noted that sector wide delays had impacted on delivery timescales. Reference was made to discussions between the Department for Levelling Up, Housing and Communities, the Financial Reporting Council and the Chartered Institute of Public Finance and Accountancy in relation to the audit process and the significant backlogs and the impact that this would have on the 2022/23 audit process although it was noted that an outcome had not yet been provided or guidance issued. An updated delivery plan was awaited from EY so that appropriate internal resources could be provided to support the proposed testing programme.

Resolved that the update provided in relation to the 2021/22 and the 2022/23 Statement of Accounts and external audit be noted.

AC/23/23 Provisional Audit Results Report

The Committee gave consideration to the provisional Audit Results Report for the year ended 31 March 2022 submitted by EY. The changes made since the report had last been presented to the Committee were highlighted and officer comments on the changes were noted.

In response to members' questions it was explained that based on the information examined the external auditors did not have concerns in relation to value for money and the authority's governance arrangements. It was explained that there were systems in place to ensure that risk management was embedded in to the Authority's processes. There was also a request that a copy of the final report be circulated to members for comment.

Resolved that the Audit Results Report submitted by the Authority's external auditors, Ernst and Young, be noted

AC/24/23 Section 114 Notices

The Chair explained that in view of the recent announcements that a number of

authorities had been forced to issue Section 114 Notices in relation to their finances he had therefore agreed that an update on the position in North Tyneside should be provided as a matter of urgency.

The Director of Resources explained that there had been a variety of reasons for particular authorities having to issue a Section 114 Notice, such as investments not providing the returns expected as well as national issues in respect of Local Government finance. He explained that North Tyneside was not in such a position to require the issue of a Section 114 Notice although there continued to be a need to ensure that careful budget monitoring was maintained. He also referred to reports made to recent Cabinet meetings to ensure that members were aware of the current situation and explained that staff had also been briefed on the issues.

Resolved that the update be noted.

AC/25/23 Chair's Announcement

The Chair announced that this was the last meeting of the Committee that Claire Emmerson, Head of Finance, would be in attendance before taking up a new position in another authority. He thanked Claire for her help and assistance and for clarifying complex financial matters for himself and the Committee. He wished her well and every success in her new role. These sentiments were echoed by the members of the Committee.