

Audit and Standards Committee (not quorate)

15 November 2022

(10:00 – 10:40am)

Meeting held: Collingwood/Stephenson Room, Civic Centre, Newcastle

Approved Notes

Present: Councillor S Sheraton, A McMullen, T Mulvenna and J Shaw

1 WELCOME AND APOLOGIES

Apologies for absence were received from Councillors Ferguson, Stone, Hardy, Castle and Beynon.

2 DECLARATIONS OF INTEREST

None

3 APPOINTMENT OF VICE CHAIR FOR THE MUNICIPAL YEAR 2022-23

As the meeting was inquorate the item was deferred until the next meeting.

4 AGREEMENT OF THE MINUTES OF THE MEETING HELD ON 5 JULY 2022

As the meeting was inquorate agreement of the draft minutes was deferred until the next meeting.

5 INTERNAL AUDIT - QUARTERLY UPDATE REPORT

Submitted: Report of the Interim Chief Internal Auditor (previously circulated and a copy attached to the official records), which provided progress against the 2022/23 Internal Audit Plan to end October 2022 and other recent work undertaken.

Richard Dunlop (Interim Chief Internal Auditor) presented the report advising that four pieces of work had been completed – two primary internal audits, one business continuity audit and a service level agreement.

R Dunlop confirmed that there were sufficient staff in place and that an Operational Capacity and Resources audit would be completed by the end of the year.

In response to a question from the Chair, R Dunlop advised that progress updates would be provided to all Audit and Standards Committee meetings.

6 **STRATEGIC RISK AND OPPORTUNITIES REGISTER**

Submitted: Report of the Risk Advisor to North of Tyne Combined Authority (previously circulated and a copy attached to the official records), which provided assurance to the committee that the most significant risks had been identified, were monitored and measures were in place to mitigate them.

Philip Slater (Chief Internal Auditor – Newcastle City Council (acting as Risk Advisor to NTCA) presented the report and stated that mitigation plans were on track for delivery with new reviewed dates being noted against them to ensure regular monitoring. At this review point there has been no change in the risk assessments (RAG), although there was continued confidence in the actions being taken to mitigate the risks identified in the risk register. It was noted that Internal Audit had made recommendations on NTCA's Business Continuity Plan and progress against implementing these would be monitored.

The LEP Risk Register had been reviewed and updated, in line with the same revised format as the NTCA Risk Register, which gave more detail and narrative.

P Slater highlighted the new risk to monitor the North East LEPs transition would be managed on a joint basis by the NTCA Chief Executive and LEP Chief Executive.

It was noted the North East LEP's risks assessments rated Red continued to be managed.

7 **EXTERNAL AUDITORS VERBAL UPDATE: FINAL STATEMENT OF ACCOUNTS 2021/22**

Gavin Barker (Mazars) provided a verbal update to advise committee of the most up to date position and discussed the current unprecedented situation with regards to producing the Final Statement of Accounts for 2021/22.

He explained his role as an external auditor and how a Value for Money report and the Final Statement of Accounts for 2021 and 2022 could not be produced and signed-off due to an ongoing national issue relating to a technical accounting point on infrastructure, which started in February/March 2022. It was anticipated that the necessary agreements and legal processes to resolve the issue would be completed around Christmas. G Barker advised that a draft Value for Money report had been prepared and he anticipated being able to share the narrative of the report in the next few weeks.

Changes were expected to have to be made to the draft, which could be done in the New Year and enable the completion of the 2021/22 Audit with an anticipated sign off the audit certificate by end January 2023.

G Barker then explained their current workload (in order) working on group statements with Nexus, NECA and NTCA.

The group statement for Nexus had been completed, however G Barker warned that there was an issue over pension figures disclosed in the Nexus accounts which may impact on the NTCA statement. G Barker explained it was not straightforward but assured committee of Mazars commitment and the hard work of their offices/teams.

J Gillespie said she would work closely with G Barker and highlighted they would need to consider how the sign off would coincide with the future committee meeting dates and suggested an extraordinary meeting may be required.

8 **DATE AND TIME OF NEXT MEETING**

24 January 2023