

Meeting of the Full Council - 13 October 2022

Report of the Audit, Risk and Governance Committee

Meeting held on 25 July 2022

Chair: County Councillor Alan Schofield

Part I (Open to Press and Public)

Constitution, Membership and Terms of Reference

The committee considered a report detailing the membership, Chairmanship and Terms of Reference for the 2022/23 municipal year.

Resolved: That

- i) The appointment of County Councillor A Schofield as Chair and County Councillor J Singleton as Deputy Chair of the Audit, Risk and Governance Committee for the 2022/23 municipal year be noted;
- ii) The membership of the committee, following the county council's Annual Meeting held 26 May 2022, be noted; and
- iii) The Audit, Risk and Governance Committee Terms of Reference be noted.

Treasury Management Activity 2021/22

The committee considered a report presented by Mike Jensen, Director of Investment which provided a review of the council's treasury management activities occurring in the financial year 2021/22 and the position at 31 March 2022.

Resolved: That the review of treasury management activity 2021/22, as presented, be noted.

Approval of the Council's Statement of Accounts for 2021/22

The committee considered a report presented by Khadija Saeed, Head of Corporate Finance which set out the Statement of Accounts 2021/22 for Lancashire County Council and the Lancashire County Pension Fund for the committee's approval.

Resolved: That the Statement of Accounts 2021/22 for Lancashire County Council and the Lancashire County Pension Fund be approved, subject to:

- i) On page 26, the date for approval of the accounts being amended from 21 December 2021 to 25 July 2022; and

- ii) On page 220, the audit of Annual Events and Aggregation by Deloitte being added to the list of assurance relating to LPPA's administration of benefits.

Response to the Information Request from the External Auditor

The committee considered a report detailing the proposed management response to the external auditor's annual information request, which provides the external auditors with information to support their work.

Resolved: That the management response to the information request from the external auditor, as presented, be approved.

Update on Management's Responses to the Recommendations of the External Auditor

The committee considered a report which provided an update on management's responses to the improvement recommendations of the external auditor.

Resolved: That the update on management's responses to the recommendations of the external auditor be noted.

Internal Audit Progress Report

The committee considered a report presented by Andy Dalecki, Head of Internal Audit which provided an update on the Internal Audit Service's work and outcomes for 2021/22, for the period to 30 June 2022.

Resolved: That the Internal Audit Progress Report be noted.

Internal Audit Charter

The committee considered a report presented by Andy Dalecki, Head of Internal Audit which set out the updated Internal Audit Charter.

Resolved: That the Internal Audit Charter, as presented, be approved.

External Audit – Audit Progress Report and Sector Update

The committee considered a report presented by Stuart Basnett, Audit Manager at Grant Thornton UK which provided an update on the audit and wider sector as of July 2022.

Resolved: That the External Audit Progress Report and Sector Update for July 2022 be noted.

Corporate Risk and Opportunity Register – Quarter 1 Update

The committee considered a report presented by Paul Bond, Head of Legal, Governance and Registrars which set out the updated Corporate Risk and Opportunity Register for Quarter 1 of 2022/23.

Two risk entries, relating to Counter Terrorism and Cyber Security, contained exempt information and were included in Part II of the agenda.

Resolved: That the updated Corporate Risk and Opportunity Register be noted.

Chairman's Annual Report

The committee considered the Chairman's Annual Report for 2021/22.

Resolved: That the Chairman's Annual Report for 2021/22 be noted.

Draft Work Plan 2022/23

The committee reviewed the draft work plan of the Audit, Risk and Governance Committee for 2022/23.

Resolved: That the Audit, Risk and Governance Committee work plan for 2022/23 be noted.

Part II (Not Open to Press and Public)

Appendix 'B' to Item 12

(Not for Publication - Exempt information as defined in Paragraph 7 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)

The committee considered the private and confidential Appendix B to Item 12 – Corporate Risk and Opportunity Register – Quarter 1 Update.

Resolved: That Appendix B to Item 12 – Corporate Risk and Opportunity Register – Quarter 1 Update, be noted.

Counter Fraud, Special Investigations and Whistleblowing Annual Report

(Not for Publication - Exempt information as defined in Paragraphs 2, 3 and 7 of Part 1 of Schedule 12A to the Local Government Act, 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)

The committee considered a private and confidential report presented by Andy Dalecki, Head of Internal Audit which outlined the work completed during 2021/22 to prevent, detect and investigate fraud and corruption within the county council.

Resolved: That the Counter Fraud, Special Investigations and Whistleblowing Annual Report be noted.