

ROYAL BOROUGH OF GREENWICH
AUDIT & RISK MANAGEMENT PANEL
MONDAY, 12 JULY 2021 AT 7.00PM

MINUTES

PRESENT:

Members:

Councillor Chris Lloyd (Chair), Dr Susan Blackall (vice-Chair), Councillor Mick Hayes

Officers

Assistant Director Corporate Finance; Assistant Director of Finance (Financial Governance & Audit) and Committee Services Officer

Other Councillors in Attendance

Councillor Linda Perks, Cabinet Member for Finance and Resources

Other People in Attendance

Paul Jacklin, Senior Manager (Grant Thornton)
Iain Murray, Key Audit Partner (Grant Thornton)

Item

No.

1 Apologies for Absence

Apologies for absence were received from Councillors Pat Slattery, Jackie Smith and Charlie Davis.

2 Urgent Business

There was no urgent business for the meeting.

The Chair informed the Panel that the September meeting date of the Panel had reverted to the 29th September.

3 Declarations of Interest

Resolved -

That the list of Councillors' memberships as Council appointed representatives on outside bodies, joint committees and school governing bodies be noted.

4 Minutes

Resolved -

That the minutes of the meeting of the Audit and Risk Management Panel held on 29 June 2021 be agreed and signed as a true and accurate record.

5 Annual Governance Statement 2020-21

The report was presented by the Assistant Director of Finance (Financial Governance & Audit). He drew Members' attention to Appendix D indicating that the four potential areas of significant risk remained the same as the previous year.

Resolved -

That the Annual Governance Statement (AGS), incorporating the Code of Corporate Governance be noted.

6 Draft Statement of Accounts 2020-21

Councillor Linda Perks, Cabinet Member for Finance and Resources, addressed the Panel. Councillor Perks commented that the Council's reserves were reasonably healthy and were generally comparable with the situation across London. Councillor Perks emphasised that while the reserves had increased in real terms by a small amount that was because due to the pandemic they had not been able to spend on services as they would have liked to have done and because they had received a reasonable amount of government grant to cover expenditure incurred as a consequence of the pandemic. That situation would not continue as services returned to normal, and indeed there was an expectation of additional service demand. Councillor Perks noted that the income funding from government that was placed in the general reserve was compensation for loss of income from business tax but would subsequently need to be moved into the business tax account.

The Assistant Director Corporate Finance thanked the finance team for putting the report together, noting it had been a particularly difficult year both due to remote working and the impact of the various government grants. He explained that the reason the statement of accounts appendix was circulated after the main report was because of a last minute change from the Ministry of Housing, Communities and Local Government to the accounting treatment for business rate grants. He said that the outturn position for the last financial year was a positive but they needed to appreciate the impact the pandemic had had on core services. He indicated that the audit of the accounts had already commenced.

The Senior Manager (Grant Thornton) advised the Panel that they were confident that the timelines for completing the audit of the accounts was achievable.

In response to questions from the Panel, the Assistant Director Corporate Finance replied that the £4 million in the reserves represented an actual saving in the last financial year. He explained that they were looking to refresh the medium term financial strategy, and they had to consider the possibility of another one-year settlement. He commented on the potential pressures and risks they might face post-Covid and that the reserves might be needed to mitigate some of that.

The Panel discussed the matter and agreed comments to be passed to Cabinet.

Councillor Linda Perks, Cabinet Member for Finance and Resources, thanked the Panel for their comments. Councillor Perks emphasised that it was very unclear what was to happen particularly to adult social care funding. The Directorate of Health and Adult Services had done well to bring overspend back under control but they had to anticipate additional expenditure in adult social care as they emerged from the pandemic but they could not anticipate further government funding.

On behalf of the Panel the Chair thanked the finance team for their work on the draft statement of accounts.

Resolved –

- I. That the authority's draft Statement of Accounts for the year ended 31 March 2021 (including the Pension Fund Accounts) submitted to Grant Thornton for audit on 06 July 2021 (Appendix A of the report) be noted.

2. Noted that the whole accounts will be considered by Cabinet on 14 July 2021.
3. Considered that the management responses in relation to risk assessment procedures were consistent with the Panel's understanding (Appendix B of the report) and commented:

While there has been a saving in the general reserve it should not be taken that that is an indication that the economic result of Covid-19 is savings.

The Panel recommends that Cabinet continue with the transformation programme to realise savings to deliver as much value for money and savings as possible because of future uncertainty: future economic pressures cannot be quantified, for example, the full cost of the ongoing Covid-19 pandemic has not yet been realised and will not be for some time, and it is unclear what is to happen to adult social care funding.

The meeting closed at 7.27 pm

Chair