

AUDIT COMMITTEE

Date and Time: Tuesday 21 July 2020 at 7.00 pm

Place: Hart District Council Offices

Present:

Makepeace-Browne (Chairman), Blewett, Delaney, Wildsmith, Crookes, Smith and Southern

In attendance:

Officers:

1 ELECTION OF VICE-CHAIRMAN

Councillor Wildsmith was elected as Vice-Chairman for the year 2020/21.

2 MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 3rd November 2019 were confirmed and signed as a correct record.

3 APOLOGIES FOR ABSENCE

None received.

4 CHAIRMAN'S ANNOUNCEMENTS

The Chairman introduced Emma Foy as the incumbent Section 151 Officer.

5 DECLARATIONS OF INTEREST

None declared.

6 INTERNAL AUDIT PLAN FOR 2020/2021

The Audit Manager updated the Committee on the Internal Audit Plan 2020/21 and the impact of Covid-19 to the service normally provided by Internal Audit, resulting in the Plan requiring amendment.

The Audit Manager highlighted the work carried out by the Team to administer the payment of Business Grants to small businesses during the Pandemic which is ongoing. The Committee thanked Neil and his Team for their work during this time.

Members queried the reduced amount of work for the Service Review on data management. The Committee was informed that data management will be looked at as part of the IT controls audit. Members also expressed concern in

the reduction of days in the Five Councils area which was due to an overall reduction in the number of days in the audit plan.

Also noted was the reduction of days allocated to the preparation of the Annual Governance Statement. The Audit Manager stated this is a result of better input from the Leadership Team.

DECISION

The Committee approved the Internal Audit Plan for 2020/2021.

7 EXTERNAL AUDIT PLAN FOR 2019/2020

The Council's External Auditors summarised the Audit Letter for the year ended 31st March 2019.

The Chairman of the Committee sought reassurance in relation to providing adequate resources and questioned the increase in audit fee proposed. The Chairman also asked for assurance that additional billing as in previous years would not occur.

The Committee was informed that additional requirements have driven a change to the baseline fee. The auditors also stated that they were unable to guarantee that there would not be additional billing however any additional fees will be discussed in advance with the Section 151 Officer.

The Committee questioned whether the issues in getting information from Capita (noted in November 2019) still occurred with the Mendip shared accountancy service and were informed that indications are that they are working to time and with the External Auditors.

The Section 151 Officer stated she has received the first draft of accounts from Mendip shared accountancy service, they have been reviewed and that we are waiting for a second draft. The Section 151 noted that the Section 151 Officer at Mendip had been replaced and the team is led by an experienced Section 151 Officer.

Committee thanked Kevin Suter and Justine Thorpe for their contribution.

8 ANNUAL AUDIT LETTER FOR 2018/2019

The Annual Audit Letter for the year ended 31 March 2019 was noted.

9 ANNUAL INTERNAL AUDIT REPORT FOR 2019/2020

The Audit Manager highlighted the key findings from the Annual Internal Audit Report for the year 2019/2020.

The Chairman praised the Audit Team for their work and noted that the Heads of Service will be held accountable for any discrepancies that may fall into their area. The Committee asked if there had been an improvement in the Accounts Payable challenge, credit card usage and payroll identified at the last meeting.

The Audit Manager stated that correct and responsible credit card usage has been reinforced and currently the Audit Team are not aware of any misuse of this method of payment. Accounts Payable/Purchase Orders is being addressed for a more consistent approach. Payroll is now back in house and HDC will have greater control by the end of the year.

The Committee reflected that the Covid-19 period will have necessitated more use of credit cards. The Audit Manager shared this concern as it may be proved that quick decisions made as the Pandemic hit could have been done better. Procurement is being monitored carefully in the next few weeks. The Committee asked if HDC will have adequate resources now that we have come to the end of the Capita contract. HDC will be identifying what roles may be required in the future and are currently seeking to appoint a HR Specialist.

The Section 151 Officer informed the Committee that she has requested Mendip attend the Audit Committee in November. Arrangements are in place to ensure continuity and resilience in the short term.

DECISION

That the Internal Audit Report for the year 2019/2020 be accepted.

(Cllr Crookes left at 7.38 due to Internet failure)

10 DRAFT STATEMENT OF ACCOUNTS FOR 2019/2020

An initial draft statement of accounts for 2019/2020 has been received from the Mendip Team which will be signed off by The Section 151 Officer in August. The Accounts will be circulated to the Committee at the beginning of next week and following that there will be a series of workshops to run through the Accounts with Members before the final Audit Committee. The Committee agreed that the workshops would be of benefit to help their understanding.

The meeting closed at 7.55 pm