

AUDIT COMMITTEE

Date and Time: Tuesday 25 May 2021 at 7.00 pm

Place: Council Chamber

Present:

Axam (Chairman), Blewett, Crookes, Davies, Farmer, Southern and Wildsmith

In attendance: Kevin Suter – Ernst & Young

Officers:

| | |
|-----------------|---|
| Emma Foy | Head of Corporate Services and S151 Officer |
| Neil Carpenter | Audit Manager |
| Joanne Innes | Internal Auditor |
| Jenny Humphreys | Committee Services Officer |
| Rebecca Borrett | Committee Services Officer |

1 ELECTION OF VICE-CHAIRMAN

Cllr Southern was elected as Vice-Chairman for the year 2021/22.

2 MINUTES OF THE PREVIOUS MEETING

The Minutes of the last meeting held on 23 March 2021 were confirmed and signed as a correct record.

3 APOLOGIES FOR ABSENCE

No apologies received.

4 DECLARATIONS OF INTEREST

No declarations made.

5 CHAIRMAN'S ANNOUNCEMENTS

The Chairman thanked Neil Carpenter, Audit Manager for his 42 years of service at the council, as he is retiring this week.

6 INTERNAL AUDIT PROGRESS REPORT Q4 2020/21

The Committee was updated on Internal Audit work carried out between March and May 2021. During that period reports were issued for Payroll and Section 106 Agreements.

All new councillors have completed Fraud Awareness training and the Audit Manager confirmed that Committee Services has the most recent attendance records for this and other training that's required. A risk review meeting was

held in May and Corporate Risk Register review will go to Overview and Scrutiny Committee in September. Members queried why the Fraud Risk Assessment/Payroll recommendations were still outstanding.

The Audit Manager confirmed that this was picked up in the Payroll Audit and management agreed that will be actioned.

Members considered:

- Fraud Risk Assessment on Payroll
- The review of starters and leavers
- The timetable of the operational risk registers to be linked to the service plans
- Fraud checks on grant payments
- Why deadlines are so far in advance
- The payroll transition from Capita back in house.

The Section 151 Officer stated that since April 2020 when the Payroll transition from Capita occurred, accuracy of individuals pay is much higher. There is still work to do around forms and controls, in particular creating and using new forms, not the previous Capita ones. The Section 151 Officer also confirmed that the council has resilience Audit arrangements with Wokingham and Basingstoke & Deane councils and can also call on Government frameworks if required.

Members questioned recruitment in the Planning teams and wanted to know more about the use of temporary staff. It was agreed that this would be investigated and be appropriate for the next Staffing Committee. Members also queried the Section 106 payment procedures to parish councils and the Audit Manager confirmed that Place are looking at the central register and how it is done in the future. The Section 151 Officer also confirmed that teams have regular updates from parish councils.

Members commended the Audit team for their handling of grant payments during the last year in the Covid-19 pandemic.

DECISION

The Internal Audit Progress Report Q4 for 2020/21 was noted.

7 INTERNAL AUDIT ANNUAL REPORT 2020/21

The Audit Manager highlighted the key findings from the Internal Audit Annual Report for the year 2020/2021.

The Audit Manager summarised that due to the impact of the Covid-19 pandemic the plan had to be revised and work on the financial system reviews was prioritised. Opinions on treasury management and housing benefits were still outstanding. There were currently no areas of concern raised but reports will be submitted to the next audit committee. Members queried control of credit card

payments by different departments and the signing off of purchase orders. The Audit Manager stated that the team were pleased with the processes and the samples they had reviewed showed positive outcomes.

Members asked for more information on the definitions that are used in the report and the items that are measured. The Audit Manager confirmed the council has a matrix, based on many factors, including risks, costs and reputation to the council and will provide members with this at a later date.

DECISION

The Internal Audit Annual Report for the year 2020/2021 was accepted.

8 EXTERNAL AUDIT PLAN

The Council's external auditors summarised the findings from the External Audit Plan. It was noted that accounting for Covid-19 grants was a new focus to the plan for this year. It was recognised the council has had to evolve due to the pandemic. No financial risks were identified.

Members questioned the deadline and time frames for this report and if they were sustainable. Last year the deadline was extended until November and the council met that deadline where many other local authorities and organisations did not. The deadlines for this year's report is by the end of September, which will also be the same for next year.

DECISION

The External Audit Plan was approved.

The meeting closed at 8.05 pm