

AUDIT COMMITTEE

Date and Time: Tuesday 22 March 2022 at 7.00 pm

Place: Council Chamber

Present:

Butler, Crookes, Davies, Farmer, Southern (Chairman) and Wildsmith

In attendance: Councillor Axam
Kevin Suter, Ernst & Young
Chandrika Sharma, Ernst & Young

Officers: Emma Foy, Head of Corporate Services and S151 Officer
Joanne Innes, Audit Manager
Daryl Phillips, Joint Chief Executive
Rebecca Borrett, Committee Services Officer

27 MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 7 December 2021 were confirmed and signed as a correct record.

28 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Blewett and Councillor Axam. Councillor Butler was present as substitute for Councillor Axam.

29 DECLARATIONS OF INTEREST

No declarations made.

30 CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced a decision had been made by the Chairman of the Council to continue to appoint Public Sector Audit Appointments to procure external audit services on our behalf. This is a continuation of existing arrangements.

31 AUDIT RESULTS REPORT FOR 2020/21

Mr Suter from Ernest and Young presented members with the final Audit Results report for the year ending 31 March 2021, covering the objection that had been outstanding when the report was previously presented.

The objection pertained to concerns regarding the financial controls, budget and reporting processes. This included the waste contract, where an incorrect

journal entry entered had been corrected. Recommendations were made to improve controls to prevent this happening across any other contracts or processes.

The remainder of the objection related to Value for Money arrangements, EY summarised their findings. From their conclusions, there were no significant issues with the recharges made around the waste or any significant weaknesses in the Council's financial arrangements, and therefore no reason report any weaknesses in their audit report.

Councillor Wildsmith joined the meeting at 7.06pm

DECISION

1. Members formally noted the opinion of the Auditors on the draft Statement of Accounts.
2. That in all other respects the report of the External Auditors was noted.

32 ANNUAL GOVERNANCE STATEMENT

Members were presented with the version of the Annual Governance Statement presented to them previously, which they had paused approval of pending the objection being resolved. The objection has been concluded and therefore the Annual Governance Statement had been signed by both Cllr Neighbour and Mr. Phillips, as required.

DECISION

1. The Committee approved the Annual Governance Statement 2020/21.

33 STATEMENT OF ACCOUNTS/LETTER OF REPRESENTATION

The Letter of Representation had been provided in Ernst & Young's earlier report which both the Chairman and Section 151 Officer were required to sign. Members had been provided with Version 4 of the Statement of Accounts, which has all adjustments made and been reviewed by Ernst & Young.

DECISION

1. That delegated authority is given to the Chair of Audit Committee in consultation with the Head of Corporate Services for the final approval of the 2020/21 Statement of Accounts and Letter of Representation.

34 INTERNAL AUDIT PROGRESS REPORT

The Audit Manager updated the Committee on Internal Audit work completed between November 2021 and February 2022. Four audit reports were issued, six audits are in progress and three audits are due to commence this month. A full list of progress for each audit had been provided to members, together with completed audit reports.

A member asked if it was felt joint working with another council was working well for us. The Audit Manager confirmed it was.

DECISION

1. That the Internal Audit work completed between November 2021 and February 2022 be noted and the staff involved were thanked for the work they have done.

35 INTERNAL AUDIT PLAN 2022/23

The Chairman advised he would like to see the Shapley Heath audit report expedited and completed as quickly as possible. Confirmation was giving that:

- Field work commenced 28 February 2022
- The final report is due no later than 3 months after work was contracted.
- 12 days work are involved in the SLA agreement
- It is within the budget previously approved by this committee
- An approach will be made to the auditors in the next week to see if this can be expedited
- It will be brought to the Audit Committee once completed, and any items identified from any draft reports of relevance will be reported to members of this committee

DECISION

1. The Committee approved the Internal Audit Plan for 2022/23.

36 WHISTLEBLOWING POLICY

The Audit Manager informed members of a review of the Whistleblowing Policy. The only change from the previous version was to the details of the company that act as independent organisation to contact for advice.

Members asked if formal adoption of the policy was required. Members also identified amendments needed to version numbers of the policy.

DECISION

1. The Committee noted the updates to the Whistleblowing Policy and recommended it be forwarded to the next Cabinet meeting in June.

37 RISK MANAGEMENT UPDATE

The Audit Manager informed members the Corporate Risk Register had been approved by Overview and Scrutiny the previous week and a review of the Risk Management Policy would be undertaken in 2022/23.

A member asked if clear ownership of risks were now in place. The Audit Manager advised working with managers and the leadership team together with reviewing the corporate and service risk registers, helped by service panels, resulted in being better placed for that responsibility.

Members discussed the importance of service panels reviewing both the right risks and the use of the right KPI's. The general view was service panels are working well.

DECISION

1. The Committee noted the effectiveness of the risk management framework.

The meeting closed at 7.27 pm