

# Public Document Pack

## AUDIT COMMITTEE

**Date and Time:** Tuesday 24 May 2022 at 7.00 pm

**Place:** Council Chamber

**Present:**

Axam (Chairman), Blewett, Davies, Engström, Hale, Smith and Southern

**In attendance:**

Councillor Spencer Farmer  
Chandrika Sharma, Ernst & Young LLP  
Chris Harris, tiaa (The Internal Audit Agency)

**Officers:**

Emma Foy, Head of Corporate Services & S151 Officer  
Joanne Innes, Audit Manager  
Jenny Murton, Committee Services Officer

**1 ELECTION OF VICE CHAIRMAN**

Councillor Southern was elected as Vice-Chairman for the year 2022/23.

**2 MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on 22 March 2022 were confirmed and signed as a correct record.

**3 APOLOGIES FOR ABSENCE**

None.

**4 DECLARATIONS OF INTEREST**

None.

**5 CHAIRMAN'S ANNOUNCEMENTS**

No announcements.

**6 EY AUDIT PLANNING DOCUMENT FOR 2022-23**

The Council's external auditor summarised the Audit Planning document for 2021/22. The plan highlighted their initial assessment of the key risks driving the development of a successful audit for the Council. It also outlined a planned audit strategy in response to those risks.

A member of the Committee highlighted that this was noted on the agenda as 2022/23 which was incorrect.

A member asked if the external auditor and the council foresaw any resource problems regarding this work going forward and was reassured all was sufficient.

## **DECISION**

The Committee noted the content of the External Audit Planning report.

### **7 ANNUAL AUDIT LETTER 2020/21**

The external auditor summarised that the Auditor's Annual Report (year ended 31 March 2021) replaces the Annual Audit Letter and that there are no areas of concern.

Members thanked Chandrika Sharma for her comprehensive report.

## **DECISION**

The Committee noted the content of the Auditor's Annual Report.

### **8 INTERNAL AUDIT PROGRESS REPORT Q4**

The Audit Manager highlighted the key findings from the Internal Audit Progress Report Q4 that ran from March to May 2022.

The Audit Manager stated that there were three reports, payroll, treasury management and waste management. There would be a fraud meeting next month to discuss work in this area which was currently progressing well.

Members of the Committee discussed:

- The lack of fraud risks to the disabled facilities grant process.
- The risk to systems and data in event of a disaster and the measures that are in place with Zellis to back this data up.

## **DECISION**

The Internal Audit work completed between March and May 2022 was noted by the Committee.

### **9 SHAPLEY HEATH GARDEN COMMUNITY PROJECT**

The Audit Director from tiaa apologised that the Committee did not have the final report for this meeting. He explained more data was needed and the 10,000-word document would be available before the next Audit Committee meeting in July.

The Chairman asked the Audit Director if he had everything he required and he confirmed he was comfortable he did.

The S151 Officer clarified that the report's factual accuracy needs to be checked by officers, along with GDPR and data protection before a final report can be issued. A decision will be made after this process to determine how and when it can be published.

Members of the Committee discussed:

- Making sure the report is with the Committee well in advance of the next Audit meeting in July, with sufficient time to process it and submit any potential questions.
- Making the report publicly available, dependent on GDPR and data protection issues and any redactions that may be required.
- The report is factual and does not include future recommendations on Shapley Heath.
- The cost of further 'out of scope' work on this report if deemed necessary.

The S151 Officer reiterated that the report critiques how the Shapley Heath Garden Community Project was handled and is not a judgement call on the project itself. The report covers a period from 2018 until the end of the 2021/22 financial year.

## **10 ANNUAL INTERNAL AUDIT REPORT 2021/22**

The Audit Manager highlighted the key findings from the Annual Internal Audit Annual Report 2021/2022 and explained there was a satisfactory level of effectiveness.

The Chairman questioned Housing Benefit fraud and single person discount fraud; the Audit Manager explained all residents who receive single person discount were contacted and that over 300 had not responded to confirm their eligibility, therefore the single person discount has been removed.

Members of the Committee also discussed IT high risk finding and controls and the work the IT Manager and Data Manager are undertaking in this area.

The Audit Manager to provide an update to the Committee on this IT work at the next Audit Committee meeting.

### **DECISION**

The Committee accepted the report.

## **11 THE PROVISION OF INTERNAL AUDIT**

The S151 Officer explained that since the departure of the previous Audit Manager in 2021, the Council's internal audit work has been shared between Wokingham Borough Council and Basingstoke and Deane District Council and coordinated by Hart District Council's Internal Audit Manager.

This work going forward will be procured through one supplier and will be put in place by the interim S151 Officer for April 2023.

Members of the Committee stressed the importance that this work is planned well in advance and the S151 Officer confirmed that procurement had already commenced and the timescale for this work would be brought to the next Audit Committee meeting.

Members of the Committee also discussed:

- The departure of the current S151 Officer and the interim S151 Officer, adequate handovers of work and when a new permanent S151 Officer would be appointed.
- The length of the tendering process for the procured work and possible break clauses.

## **DECISION**

The procurement process was noted by the Committee.

The meeting closed at 8.03 pm