

AUDIT COMMITTEE

2 JUNE 2021

Present: Councillors Rankin (Chair), Battley (Vice-Chair), Beaney, Sinden and Chowney (substituting for Councillor Forward)

109. APOLOGIES FOR ABSENCE

Apologies received from Councillor Forward.

110. DECLARATIONS OF INTEREST

None received

111. MINUTES OF THE LAST MEETING

RESOLVED – that the minutes of the meeting held on 12th February 2021 be approved as a true record.

112. NOTIFICATION OF ANY ADDITIONAL URGENT ITEMS (IF ANY)

None.

113. DRAFT RISK REGISTERS

The Chief Auditor reported to the Audit Committee of the risks and countermeasures in place for the council and to comment on the new format of the draft risk registers.

The Risk Registers are still in draft and the new process is still a 'work in progress' but it is important that councillors and particularly the Audit Committee are informed of the risks without more delay. It is recognised that there is an important need for refresher training, particularly to cover the key principles of risk avoidance and risk mitigation. It is planned for training for Managers and supervisors to be held with Zurich Risk Management Services in September or October. The Transformation Manager gave the committee an overview of the functionality of the risk register.

The chair accepted an offer from the chief Auditor for Directors to come to an Audit meeting in the future and speak with the Committee about specific risks and why they feel they are risks.

Councillors discussed the time scale between risk management training and would like to have a shorter period between training.

The committee reviewed the draft risk register and discussed the colours used in the layout of the Risk Register. The Senior Transformation Officer explained to the committee that this is a Risk Register in draft form now and the colour layout is up for review if the committee would like it to be different.

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The chair asked regarding minimum reserves. The Assistant Director Financial Services & Revenues explained that the council is at present just above the minimum as determined at Budget Council in February 2021, but going forward there is a possibility of falling below the minimum recommended levels by the end of 21/22 .

RESOLVED (unanimously)

1. To review the risks and comment as appropriate.
2. To provide feedback on the new format of the draft risk registers

Reasons

As part of the Corporate Risk Management Strategy agreed by Cabinet, the Risk Registers are to be reviewed by the Audit Committee each year.

114. PROPOSED INTERNAL AUDIT PLAN 2021-22

The Chief Auditor presented the reports to the Audit Committee to consider the proposed internal audit plan for 2021/22.

The councillors requested to see in the Audit Plan how external contracts are tendered and the procurement of the contracts. The committee discussed having on the Audit plan the use of local companies. The Chief Auditor explained to the committee that purchases over £5k are reviewed to see if they can be made locally. The Chief Auditor explained to the committee that a report can be brought to the committee at a later meeting in the year and it can be added to the Audit Plan. The Chief Finance officer advised that there is very limited scope to amend the plan as there were key audits outstanding from 2020-21 and that there are very reduced resources within the existing Internal Audit team. He advised that the completion of the audit plan was dependent upon significant work being outsourced or additional temporary staff being secured.

The councillors discussed the Payroll audit and use of agency staff. It was highlighted that the council are current employing a senior planner from an Agency at a high cost. The Chief Finance officer explained the difficulties

The committee discussed possible fraud with the level of business grants being distributed by the Council and whether the associated work should be included in the internal Audit Plan. The Assistant Director Financial Services & Revenues explained that the council is only aware of one significant potential fraud case which is being dealt with at the moment and there have been no reports made by the Council to BEIS of evidence of organised fraud. The Chief Auditor suggested business grant fraud is not added to the Audit plan but the committee be kept up to date on the progress.

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RESOLVED (unanimously)

That the Audit Committee approves the Internal Audit Plan 2021/22

Reasons

To ensure that proper financial management arrangements and controls are in place and operating effectively in the Council.

Audit Committee approval of the Internal Audit plan provides clear authority for Internal Audit to discharge the assignments listed therein and enable monitoring of the efficiency and effectiveness of Internal Audit.

115. CHIEF AUDITOR'S SUMMARY AUDIT AND RISK REPORT

The Chief Auditor reported to the Audit Committee the key findings from the Council Tax Reduction Scheme audit. The Audit assessment is A – Good with some minor improvements possible to ensure statutory compliance, best practice and efficiency.

The Assistant Director, Financial Services and Revenues updated the committee with figures to date of 9507 claimants on the Council Tax Reduction Scheme, costing £11.277 million in a full year. 6138 working age claimants and 3369 pensioners claiming.

RESOLVED (unanimously)

That the Audit Committee accepts the report.

Reasons

To monitor levels of control within the organisation.

(The Chair declared the meeting closed at. 7.30 pm)