

Public Document Pack

AUDIT COMMITTEE

10 MARCH 2022

Present: Councillors Rankin (Chair), Battley (Vice-Chair), Beaney and Chowney

138. APOLOGIES FOR ABSENCE

Apologies received from Councillor Sinden

139. DECLARATIONS OF INTEREST

| Councillor | Item | Interest |
|--------------|------|------------------------------------|
| Cllr Chowney | 8 | Personal - Pays for parking permit |

140. MINUTES OF THE LAST MEETING

RESOLVED – that the minutes of the meeting held on 13th January 2022 be approved as a true record.

141. EXTERNAL AUDIT PROGRESS REPORT TO FEBRUARY 2022

Darren Wells from Grant Thornton addressed the committee and highlighted the key points of the report and the progress as of the end of February. The 19/20 audit is very close to being signed off by the end of March.

The audit for 20/21 has been started and working paper requests have been sent out and officers are responding to those requests. Testing on the 20/21 statements will start at the beginning of July. There will be a six-week period from then with the aim to complete the 20/21 audit. Value for money work is planned to start over the next couple of weeks.

Councillors asked if Grant Thornton is one of the two firms who shares seventy percent of local authority audits. Darren Wells confirmed that Grant Thornton audits forty percent of local authorities and Ernst and Young audit the other thirty percent.

Councillors asked if the audit system is working as in 2021 only nine percent of audits were filed on time. Darren Wells answered that a government review has recommended a bespoke public sector oversight body.

RESOLVED (unanimously)

To note the report.

Reasons

To provide the Audit Committee with a report on progress in delivering their responsibilities as our external auditors.

AUDIT COMMITTEE

10 MARCH 2022

142. HOMES ENGLAND COMPLIANCE AUDIT REPORT 2021/22

Strategic Housing and Projects Manager addressed the committee and summarized the findings of Homes England Audit report. In October 2020, the council secured additional capital and revenue funding through the Next Steps Accommodation Programme to provide move on accommodation for rough sleepers. The fund was administered by Homes England. The program was subject to an external audit as part of Homes England's Compliance Audit Program. The outcome of the audit has shown the provider has complied with all the programme requirements and guidance. A GREEN grade has been assigned and no breaches were identified. The Strategic Housing and Projects Manager noted that the supply of move on accommodation and reducing the number of people living in emergency accommodation remains a key priority for the Council. Since the next steps accommodation program, Hastings Borough Council has secured further funding from Homes England through the Rough Sleeper Accommodation Program.

Councillors asked regarding the Rough Sleeper Accommodation Program. The Strategic Housing and Projects Manager explained the rough sleeping initiative is a revenue funding stream, which is administered by the Department for levelling up Housing and Communities. The rough Sleeper Accommodation program is focused on both capital and revenue funding, but it's specifically focused on developing accommodation solutions for rough sleepers.

RESOLVED (unanimously)

To acknowledge the contents of the compliance audit report and record this on the Investment Management System (IMS) Compliance Audit System

Reasons

The council has been subject to a compliance audit by Homes England and now needs to acknowledge the findings of the report.

143. RISK REGISTERS SYSTEM OVERVIEW (NO REPORT - JUST A SHORT SYSTEM DEMONSTRATION)

The Chief Auditor introduced a Risk Register system demonstration given by the Senior Transformation Officer who showed the Councillors how a current smartsheet of high priority risks and high priority residual risk looks and are managed. The colour coding is based on the residual priority of the risk. Officers can leave comments on each risk and the risks are tracked and can be flagged to managers. The Chief Auditor explained he has updated the risks to include the impact of the Russian Ukrainian war.

Councillors asked if the colour coding of risks is the same as the colour coding in the Performance Monitoring smart sheet. The Chief Auditor explained how within the Risk Register the colours highlight the priority of the risk and that all red risks should have an accompanying action plan to mitigate them.

AUDIT COMMITTEE

10 MARCH 2022

RESOLVED (unanimously)

To review the risks and comment as appropriate.

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.

144. RISK REGISTERS

The Chief Auditor reported to the Audit Committee to inform them of the risks and countermeasures in place for the council.

Councillors asked regarding training. The Chief Auditor informed the committee a training allowance is available each year. Staff training in risk management will be at least every three years. It has been noticed that more councillors have availability in the early evening, and it would be suitable to bring in training from Zurich at that time slot. It is planned to complete staff training during induction.

RESOLVED (unanimously)

To review the risks and comment as appropriate

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.

145. PROPOSED INTERNAL AUDIT PLAN 2022-23

The Chief Auditor reported to consider the proposed internal audit plan for 2022/23. There will be new piece of work NFI Matching Grant recipients. This will review business grants paid out and if people have claimed twice. Value for money will be reviewed in May with emphasis on the Financial Operating Procedures – Tendering Procedures which is the main way that the Council achieves best value for money. All contracts over fifty thousand pounds need to be tendered for or purchased through a suitable approved Framework and the tenders are always opened at the same time in the presence of at least 2 nominated responsible persons. The theme to the plan is for Internal Audit to enhance its communication across the council and emphasis on checking financial controls. The plan is developed in relation to planning assumptions reviewed annually and made in accordance with available days. The proposed council tax audit is delayed due to the workload created by the unforeseen £150 council tax rebate.

Councillors asked if findings from the 21/22 Audit Plan informed the 22/23 plan. The Chief Auditor explained that is not the case and that it is the cyclical core audits that are the plan's foundation stones. Councillors suggest Fees and Charges to be audited and to have a Fees and Charges policy. The Chief Accountant updated that there is a

AUDIT COMMITTEE

10 MARCH 2022

strategy document for fees and charges. Fees and charges will be reviewed earlier than last year.

RESOLVED (unanimously)

That the Audit Committee approves the Internal Audit Plan 2022/23.

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.

146. CHIEF AUDITOR'S SUMMARY AUDIT AND RISK UPDATE REPORT

The Chief Auditor informed the Audit Committee of the progress against the 2021/2022 Audit Plan. An Audit opinion must be reached each year. In November 2020 CIPFA issued guidance on how to give a "limitation of scope" opinion. However, this year the Chief Auditor knowing what has already been finalised, what is in draft and those audits that are in progress, is confident an opinion will be reached. Post implementation review of ERP will be removed due to it being superseded by events.

Councillors asked if the consortium would continue to be used? The Chief Auditor explained that there are no plans to use them in the foreseeable future but the consortium was good value for money and that it would be used without hesitation if a backlog on the approved plan ever emerged again.

RESOLVED (unanimously)

To note the report.

Reasons

Sufficient Internal Audit coverage is necessary to reach an informed 'Head of Internal Audit Opinion' for both the Annual Internal Audit Report from Audit Committee to Council and the Annual Governance Statement.

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

None

(The Chair declared the meeting closed at. 7.16 pm)