

AUDIT COMMITTEE

Minutes of the meeting held on 28 March 2023 commencing at 7.00 pm

Present: Cllr. McGarvey (Chairman)

Cllr. Morris (Vice-Chairman)

Cllrs. Kitchener, Pender and Williamson

Lynda McMullan was also present.

Apologies for absence were received from Cllrs. Barnes, Brown, and London. Mo Chughtai had also given apologies for absence.

Cllr. Dickins was present via a virtual media platform that did not constitute attendance as recognised by the Local Government Act 1972.

31. Minutes

Resolved: That the Minutes of the meeting of the Audit Committee held on 24 January 2023, be approved and signed by the Chairman as a correct record.

32. Declarations of Interest

There were none.

33. Actions from Previous Meeting

There were none.

34. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations

There were none.

35. Statement of Accounts 2020/21 - External Audit Findings Report

The Chairman welcomed Paul Cuttle from the Council's External Auditors, Grant Thornton who presented the External Audit Findings 2020/21 Report and the appendix set out in the supplementary agenda. Members were informed that the Council had since updated the financial statements and the external auditors had reviewed the changes and were happy with the proposed amendments. Paul Cuttle confirmed that an unqualified audit could be issued after finalising procedures.

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Members asked questions on the timetable for the completion of the audit and the valuation of assets. There were a set of capital related technical issues that had a knock-on effect on the progress of the audit but these had since been resolved. At the time of submission of accounts in March 2022 there was also material uncertainty in valuations of some of the Council's assets due to the pandemic but this had also been resolved and assets had since been re-valued. This resolution would be reflected in the 2021/22 statement of accounts.

Resolved: That the report be noted.

36. Internal Audit Progress Report 2022/23

The Audit Manager presented the report which provided an update on the Internal Audit progress 2022/23. Since the last update, the vacancies in the Team had been filled. The Team had made progress on several audits and the Council had secured a contract with South West Audit Partnership to deliver four audits during April and May 2023 as well as a Temporary Auditor to support in delivering an additional three audits. The Audit Manager confirmed she was confident the Team would be able to complete sufficient work to support the Chief Audit Executive opinion in July 2023.

In response to a question on completed audits, the Audit Manager explained that there had been a delay to the audit plan due to staffing issues but the Partnership was contracting work on outstanding audits from 2022/23 to allow staff to begin work on the audit plan for 2023/24.

Resolved: That the report be noted.

37. Internal Audit Plan 2023/24

The Audit Manager presented the proposed Internal Audit Plan for 2023/24. This was a key component of an effective service delivery which set out a detailed risk-based planning process and the Committee was required through its Terms of Reference to consider and approve the plan each year. The Team would undertake all high priority assurance audits and approximately half of those at medium priority which would be selected each quarter based upon their risk profile at the time and availability of staff. A new set of performance indicators were also proposed to reflect the implementation of data analytics to support audit work. Some of the indicators remained the same but with different targets and some would be reported on more frequently. This was to reflect the changing skill profile of the team.

Members enquired about the Sencio audit and were advised that this related specifically to the Council's contract and lease agreement with Sencio. It was clarified that under the Council's Internal Audit Charter, the Audit Team had authority to audit the Council only and did not have the authority to perform an internal audit on Sencio.

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Resolved: That the Internal Audit Plan 2023/24 be approved.

38. Internal Audit Charter

Members considered a report which presented the Internal Audit Charter 2023/24 for approval. The Council's Internal Audit Charter applied the public sector internal audit standards and detailed how internal audit would add value to the Council and the nature of the services it provided. The Audit Manager advised that there were no major changes to the Charter, however the Global Institute of Internal Auditors (IIA) were undertaking a consultation on major changes to the Standards. The new Standards would be released at the end of the 2023 calendar year and become effective 12 months after their release date. Therefore, the Committee would be asked to further review the Charter based upon the same timeline.

Members asked questions of clarification. The Audit Manager confirmed that she was considering the changes to the standards and was due to attend the Local Authority Chief Auditors Network consultation group to submit a response to the IIA.

Resolved: That the Internal Audit Charter be approved.

39. Strategic Risk Register

The Audit Manager introduced the report that provided the most recent version of the Strategic Risk Register. Since the last update one risk score had been removed regarding Covid-19 and one had been added to accommodate cost of living pressures. She advised that there were no increases in risk scores since the last quarter.

In response to a question the Audit Manager confirmed that audits looked at specific high-level controls for high-risks and would also look into the level of risk of not achieving objectives.

Resolved: That the report be noted.

40. Audit Committee - Independent Members Terms of Office

The Chief Officer - Finance and Trading presented the report which asked the Committee to consider the terms of office of the Independent Members following the expiry of their current term in May 2023. Both independent Members had indicated a willingness to continue in their roles.

Members discussed the benefits of staggered terms which would allow for greater flexibility in the membership of the Committee.

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The Chairman moved from the Chair that the Terms of Office for the Independent Members be staggered.

Members discussed the motion and expressed that the staggered terms would allow a future Committee, should they wish, the ability to renew the Independent Members' terms for 4 years thereafter. This would avoid the future terms of office expiring at the same time as those of elected members and provide greater stability in the Membership of the Committee.

The motion was put to the vote and it was

Resolved: That the terms of office of the Independent Members of the Audit Committee be staggered from May 2023 and;

- a) Mo Chughtai serve as a non-voting, co-opted member for a further 2 year term until May 2025,
- b) Lynda McMullan serve as a non-voting, co-opted member for a further 1 year Term, until May 2024.

41. Work Plan

The work plan for the next meeting included the Audit Committee Terms of Reference which would assist the committee in deciding on any items to be added to the agendas of future meetings.

The work plan was noted.

The Chairman took the opportunity to confirm his imminent retirement from the Council after 20 years, and thanked Officers and Members present for their commitment & support for the audit function.

THE MEETING WAS CONCLUDED AT 8.25 PM

CHAIRMAN