

Audit Committee

Minutes of the meeting held on 1 February 2024 commencing at 7.00 pm

Present: Cllr. Penny Cole (Chairman)

Cllr. Edwards-Winsor (Vice-Chairman)

Cllrs. Baker, Haslam, Lindop, Malone, Robinson and Williamson

Mo Chughtai (Co-opted non-voting Member)

An apology for absence was received from Cllr. Clayton and Lynda McMullan (Co-opted non-voting Member)

Cllr Clayton was in attendance via a virtual media platform.

27. Minutes

Resolved: That the Minutes of the Audit Committee held on 5 October 2023, be approved and signed by the Chairman as a correct record.

28. Declarations of Interest

There were no additional declarations of interest.

29. Actions from Previous Meeting

The actions were noted and Members were advised that the Council had no properties with RAAC.

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

There were none.

31. Audit Committee Member Development

Resolved: That the training be postponed to the next meeting of Audit Committee, due to officer sickness.

32. Internal Audit Progress Report 2023/24

The Audit Manager presented the report which set out the progress findings, and key insights from delivery on the Internal Audit Plan. It also updated Members on the implementation of actions raised as part of the Audit Team's work and on the performance of Internal Audit through key performance indicators. The new trainees

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continued to develop and had passed their first exams. It was anticipated the new Lead Auditor would start in late spring.

She advised that progress had been made on the Audit Plan. A further two audits had been completed and progress had been made on an additional nine audits. However, having reviewed the progress against the plan, given the limited staffing resources not all of the audits anticipated would be completed. It was recommended to remove some of the audits from the plan, including the treasury management audits, and the performance management audit. The executive summaries of the two completed audits were set out in the appendix and the actions on those were not yet due to be completed but would be followed up when the implementation dates were due.

Members asked questions of clarification regarding contract management, transparency and risk mitigation. Members were advised that all of the actions in the table on the summary related to the issues raised and as per all of the audits, there was an allocated responsible officer to implement the actions and the dates they are due. The dates had not yet fallen due and would follow up after that date as part of the follow up reporting. A sample test of contracts was undertaken and examined a cross section of sizes of contracts. The larger contracts appeared to be managed appropriately. The inconsistency was with the smaller contracts, although it was a limited assurance audit, that it was because the higher level contracts were being managed well.

Members asked questions regarding resources and the impact on audits. Members were advised that when the reassessment of work was undertaken, consideration of a number of factors, including staff working days and dates of completion to ensure sufficient time before the final report. Members were advised that having given consideration to all of the relevant factors, it was not possible to achieve what was hoped to have been achieved. Part of this included the delays and carry overs from the previous years, and the impact of the vacancies of not having the team fully staffed. The higher priority risk audits were being completed. Staff vacancies were on the strategic risk register and were being managed.

Resolved: That

- a) The report be noted; and
- b) The deferral of 3 high priority audits to the 24/25 audit plan, be approved.

33. Risk Strategy report

The Audit Manager presented the report which set out the proposed Risk Management Strategy for adoption. The strategy was based on the latest good practice and would assist the Council to effectively manage risks to the achievement of its objectives, both in terms of reducing threats to an acceptable level and maximising available opportunities. It sets out the role & responsibility and the

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structures for providing effective risk management. There were no significant changes since the last report but a lot of work had gone into place to ensure that the strategy correlated to what was in place within the Council.

Members took the opportunity to ask questions of clarification regarding risk appetite and operational risk registers and good practice. In response to questions Members were advised that Managers were reminded to review their risk register and the Audit Manager had the overview of the register. Staffing was an issue that crossed multiple teams and was on the strategic risk register. The Committee was reassured that Sevenoaks and Dartford Councils were fully supportive with the staffing issue and it was recognised that it was not just limited to the authorities but it was a national issue.

Resolved: That the Risk Management Strategy be approved.

34. Work Plan

Members discussed the work plan, and it was noted that the Member Development session on understanding local government accounts would come to the next meeting.

THE MEETING WAS CONCLUDED AT 7.45 pm

CHAIRMAN