

AUDIT COMMITTEE

21 MARCH 2024

PRESENT:

Councillors Ho (Chair), Whitehouse (Vice-Chair), Marshall, Robertson, J Smith, P Taylor, Vernon and Woodward

45 APOLOGIES FOR ABSENCE

There were no apologies for absence.

46 DECLARATIONS OF INTEREST

No declarations of interest were received.

47 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held 1st February 2024 were taken as read and approved as a correct record.

48 INTERNAL AUDIT PLAN, CHARTER & PROTOCOL 2024/25

Andrew Wood (Audit Manager) presented the report to the committee. He highlighted that there have been no material changes in the areas covered. At present 40 I.T. audit days have been allocated within the plan, with the possibility of more being allocated if required.

Members asked about the reduction of audits mentioned in section 3.4 and requested more information on this. Mr Wood noted that this was partly in relation to the shared service agreement. He agreed that there had been a reduction in the number of audit days resourced both locally and nationally. There was now a greater focus on the strategic risks of council, where previously sundry debtors or council tax were examined every year. He assured the committee that he was not expecting the number of I.T. audit days to decrease and would, if anything, increase. It was confirmed an I.T. auditor had been procured.

Anthony Thomas (Assistant Director Finance & Commissioning) assured the committee that as Section 151 officer, he had the legal power to demand the level of resourcing necessary to complete the work required and External Audit will review Internal Audit as part of their Value for Money Assessment.

Members asked if there was sufficient capacity within the organisation to respond to the audit recommendations. Mr Wood believed that there was resourcing available to fulfil those recommendations. Keeping these recommendations within the awareness of managers was crucial however, and recent organisational and staff change had created additional obstacles for a time in this respect. Members reiterated their willingness to interview officers responsible for outstanding audit recommendations. Mr Wood confirmed he would be having regular meetings with the Chair and Vice-Chair going forward on this issue.

Members recommended swapping the upcoming audit reports on tourism and waste reform project planning and management. Mr Wood agreed he was happy to look at this.

Members highlighted the importance of Internal Audit and Audit Committee safeguarding objectivity, in both fact and appearance. Page 81 of the report also refers to 'professional scepticism', recommending that internal auditors must be inquisitive.

RESOLVED: The committee considered and approve the 2024/25 proposed internal audit plan, charter, and protocol.

The Committee noted the updated Global Internal Audit Standards for implementation by January 2025 and the effects on Public Sector organisations.

49 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE

Andrew Wood presented the report to the committee.

The meeting was briefly adjourned to provide members with an updated copy of Appendix E (Self-assessment of good practice).

Members agreed deferring agreement on the self-assessment to the next committee meeting but were happy to proceed with questions on this and the rest of the report.

Members noted that whilst the committee has appropriate audit procedures in place, there were a few areas where the committee was potentially being scored too highly. they have not taken the opportunity to have a private meeting with the external auditors. Members also highlighted that there were still not any independent members appointed to the Audit Committee. Audit training based on the skills audit conducted earlier in the year was recommended by members.

It was noted that the member skills audit was conducted before members had had opportunity to get to grips with the documents and materials involved. Members agreed a new skills assessment may be required sooner rather than later.

Members raised that previously, the committee used to meet privately beforehand with the head of internal audit and external auditors to discuss any issues and suggested reinstating this. Members confirmed that they would welcome more training.

Mr Wood confirmed he would review the scoring involved and resubmit this at the next meeting.

RESOVLED: The committee agreed to defer the self-assessment to the next Audit Committee meeting in April 2024 alongside the training plan.

50 AN OVERVIEW OF OUTSTANDING AND OVERDUE AUDIT RECOMMENDATIONS

Andrew Wood presented the report to the committee. He confirmed that extensive work has been completed with Leadership Team to address previous concerns on this item. Appendix 1 details the current high priority recommendations and responses.

Members proposed alternative wording to recommendation 2.3:

"To delegate the Audit Committee Chair, in consultation with members of the Audit Committee, to request attendance at Committee of managers where audit recommendations are outstanding to provide assurance that the recommendations are being prioritised and implementation is being progressed."

Members highlighted 9 medium level recommendations were dated prior to 2019/2020. Mr Wood explained that changes to systems and processes between then and now have now likely rendered those recommendations out of date.

Members stated that the number of outstanding recommendations relating to the DWP Searchlight Review in LWMTS may mean the committee needs to request the attendance of managers responsible to concentrate minds and ensure recommendations are appropriately prioritised. Members agreed this could provide additional authority to Internal Audit.

It was confirmed that if a recommendation was disagreed with by a manager, this would then become the responsibility of the Audit Manager if justifiable. If the Audit Manager did not consider this disagreement to be justifiable, it would then be escalated to the Section 151 Officer or Chief Executive, who would then become the relevant holders of those recommendations.

RESOLVED: The committee noted the report and provided observations on the content.

The committee determined whether senior management are requested to attend Committee to provide assurance that audit recommendations are reviewed by all management and both prioritised and implemented accordingly in a timely and agreed manner.

The committee delegated the Audit Committee Chair, in consultation with members of the audit committee, to request attendance at Committee of managers where audit recommendations are outstanding to provide assurance that the recommendations are being prioritised and implementation is being progressed.

51 WORK PROGRAMME

The committee agreed to defer the self-assessment to the next Audit Committee meeting in April 2024 alongside the training plan. The committee noted the contents of the work programme.

(The Meeting closed at 7.46 pm)

CHAIR