

Agenda Item: X

AUDIT COMMITTEE

Minutes of a remote meeting of the Audit Committee of Broadland District Council, held on Thursday 11 March 2021 at 10.00am.

Committee Members Present: Councillors: G Nurden (Chairman), P Bulman, A Crotch, S Holland and K Vincent

Other Members in Attendance: Councillors: D King and M Murrell

Officers in Attendance: The Assistant Director of Finance (R Fincham), the Assistant Director of Governance and Business Support (E Hodds), the Internal Audit Manager (F Haywood) and the Corporate Fraud Officer (I Kerrison)

Also in Attendance: Mr M Hodgson, from Ernst & Young (EY)

67 MINUTES

The minutes of the meeting of the Audit Committee held on 26 November 2020 were agreed as a correct record.

68 MATTERS ARISING

Minute No: 54 – Matters Arising

Members noted that the Cybercrime training was now available online for members to complete, through the Skillsgate platform.

Officers advised that the Risk Management training was still in development and that it would include a session exclusively for members of the Audit Committee, and a separate session for staff.

69 ANNUAL REPORT OF THE AUDIT COMMITTEE

The Internal Audit Manager presented her report, which outlined the work the Committee had undertaken throughout the year, which included:

- Risk Management Policy
- Annual Governance Statement 2019/20
- Statement of Accounts 2019/20
- External Audit
- Internal Audit
- Strategic Risk Register

The Chairman thanked the Internal Audit Manager for her report.

Following a vote, it was unanimously,

RESOLVED

To recommend that Council approves the content of the Annual Report of the Audit Committee.

70 AUDIT COMMITTEE SELF-ASSESSMENT

The Internal Audit Manager introduced the report, which detailed the self-assessment undertaken for the Audit Committee. She advised members that she had completed the self-assessment in consultation with the Chairman, following the exercises carried out by the Committee last year, and that members were requested to review the checklist at Appendix 1, to ensure that it was an accurate reflection of the operations of the Committee.

During the review of Appendix 1, the Committee noted that:

- Members had received the CIPFA Skills and Knowledge Matrix, so question 15 (Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?) could be amended to a 'yes'
- Members felt that question 18 (Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?) could be changed to 'yes' as they felt feedback was already provided by other members when the Audit Committee minutes and Annual Audit report were presented at Council.

Members agreed that the question "Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks" should remain at a grade 3 until the Committee had received

Risk Management training, at which point the score could be moved to a grade 4.

RESOLVED

To note the checklist at Appendix 1 of the report.

71 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

The Internal Audit Manager presented her report which advised members on the progress made towards the delivery of the Annual Internal Audit Plan and summarised the work undertaken during this period, as well as the number of days that programmed work had been completed.

In response to a query on the cause of contract delays, the Internal Audit Manager advised that there were numerous reasons which included:

- Quality assurance processes (e.g. delays when obtaining manager approval)
- Resources and Audit completion delays (could be due to sickness or information provided late)

In response to a request for clarification on how officer's verified changes to the bank details of suppliers, the Internal Audit Manager explained that officers contacted suppliers by telephone using numbers either already held on the Council's system or those provided on the supplier's website. She noted that whilst cyber fraud was an increasing risk, members could be reassured that officers received training which was regularly updated.

In response to a query about an outstanding recommendation relating to purchase orders, the Assistant Director of Finance informed members that this work had been completed as far as was possible, and that the number of payments made without a purchase order had now significantly reduced. The Internal Audit Manager agreed to update members on the status of this recommendation at its next meeting.

Concern was raised by members that assurance mapping responses were not received by all departments. The Assistant Director of Finance assured members that responses were received from all the key service areas, and that Internal Audit felt that this response was sufficient given the pressure of the pandemic on the Council.

RESOLVED

To note the progress in completing the Internal Audit Plan of work and the outcomes of the completed audits for the 2020/21 financial year.

72 FRAUD POLICIES REVIEW

The Corporate Fraud Officer outlined his report which presented the new Counter Fraud, Corruption and Bribery Policy, the Anti-Money Laundering Policy, and the Whistleblowing Policy for members to review and recommend to full Council. He informed members that these policies had been re-drafted to take into account current best practice.

The Assistant Director of Governance and Business Support advised members that the new Whistleblowing Policy put more opportunities in place for staff, contractors, auditors, etc to raise any concerns.

In response to a question about removing references to the Euro from the Anti-Money Laundering Policy, the Corporate Fraud Officer explained that this was not possible as the UK was still adhering to EU legislation regarding money laundering at the current time.

In response to queries regarding member access to these policies, the Assistant Director of Governance and Business Support advised that once these policies had been approved by Council, they would be available on the Council's website and on members' iPads; she further advised that training on these policies would be made available to members and officers via Skillsgate.

RESOLVED

To recommend to Council the adoption of the following amended policies:

- Counter Fraud, Corruption and Bribery Policy.
- Anti-Money Laundering Policy
- Whistleblowing Policy.

73 ANNUAL AUDIT LETTER

Mr M Hodgson from EY, presented the Annual Audit Letter and informed the Committee that no risks had been identified in the report.

In response to a number of questions regarding the increased audit fees and the increased amount of work undertaken, Mr Hodgson informed the Committee that the increase of £18,215 to the scale fee had not been finalised as it was still with the PSAA for determination. The fees for the additional work provided had been discussed between EY and the Assistant Director of Finance and reflected the one-off work that needed to be undertaken as a result of the pandemic.

The Chairman thanked Mr Hodgson for presenting his report to the Committee.

RESOLVED

To note the Annual Audit Letter for the year ended 31 March 2020

74 WORK PROGRAMME

The Committee noted the Work Programme.

The Chairman felt that the July 2021 Meeting had a full agenda and requested if an additional meeting could be scheduled and some of the items brought forward.

The Internal Audit Manager agreed to review the Work Programme and discuss future meeting dates with Democratic Services.

(The meeting concluded at 11.04 am)

Chairman