

Minutes of the **Audit Committee**
of the **Test Valley Borough Council**
held in The Annexe, Crosfield Hall, Broadwater Road, Romsey
on Monday, 20 June 2022 at 5.30 pm

Attendance:

Councillor C Borg-Neal (Chairman) **Councillor T Swain (Vice-Chairman)**
Councillor C Donnelly Councillor J Parker

Also in attendance:

Councillor Maureen Flood, Finance and Resources Portfolio Holder
Kelly Gates, Ernst & Young
Carl Whatley, Head of Finance and Revenues
Jan Balfour, Internal Audit Manager
Tom Trevail-Perch, Senior Auditor
Karen Dunn, Head of Legal and Democratic
Sally Prior, Democratic Services Officer

39 **Apologies**

Apologies for absence were received from Councillors Gwynne and Maltby

40 **Public Participation**

There was no public participation.

41 **Declarations of Interest**

There were no declarations of interest.

42 **Urgent Items**

There were no urgent items to be considered.

43 **Audit Committee Work Programme and Terms of Reference**

Council has recently established an Audit Committee to undertake the duties previously performed by the Audit Panel of the Overview and Scrutiny Committee (OSCOM) as well as specific functions that were undertaken by OSCOM and the General Purposes Committee.

The report set out a proposed work programme for the Audit Committee for its first year.

Resolved:

That the work programme for the Audit Committee, as set out in Annex 2 to the report, be approved.

44 **External Auditor Update/Introduction**

Kelly Gates, Audit Manager at Ernst & Young introduced herself and Kevin Suter, the Engagement Partner responsible for signing off the Annual Statement of Accounts. She gave Members an overview of the role of the External Auditors.

Ernst & Young are appointed by the Public Sector Audit Appointments (PSAA) to conduct audits which runs on a 5 year cycle and is due to be retendered in 2023. They are guided by the National Audit Office (NAO) Code of Practice.

45 **Audit Committee Member Training**

The Audit Committee is responsible for setting the direction and overseeing the development of the Council's internal control environment. The report covered a range of training opportunities that may be appropriate for members of the Committee to undertake to enhance their knowledge of the subjects regularly discussed as part of their work programme.

Ongoing training is essential for Audit Committee members to be able to effectively deliver the responsibilities of the Committee and a targeted programme will be agreed.

Resolved:

That a programme of training for Audit Committee Members be agreed by the Chairman of the Committee, the Head of Finance and Revenues and the Democratic Services Manager.

46 **Internal Audit Annual Report 2021/22 and Progress Report 2022/23 to 31/05/22**

The report of the Internal Audit Manager gave an opinion on the overall adequacy and effectiveness of the Council's control environment and a summary of the audit work from which the opinion was derived for the financial year ending 31 March 2022 as required by the Public Sector Internal Audit Standards. The report also set out the Internal Audit coverage, findings and performance for audit work undertaken in 2022/23 to 31 May 2022 and gave an assurance opinion on the adequacy and effectiveness of the Council's internal control framework for those areas reviewed.

Assurance opinions for the 20 pieces of audit work (where an opinion had been reported to the Audit Panel) and included 2 unplanned investigation summary reports, were summarised as follows:

- 15 substantial assurance
- 1 Substantial/Limited assurance
- 4 Limited Assurance, which related to Information Management, Procurement (Amendment) Regulations and the two unplanned investigation summary reports.

There are 26 (plus 2 held in reserve) programmed audits within the 2022/23 audit plan of which 1 is at draft report stage and 4 are in progress as at 31 May 2022.

Resolved:

- 1. That the Internal Audit Annual Report 2021/22, the assurance opinion as at 31 March 2022 on the system of internal control and the overall conclusion on the effectiveness of Internal Audit be endorsed.**
- 2. That the Internal Audit Progress report to 31 May 2022 be endorsed.**

(The meeting terminated at 6.59 pm)