

Minutes of the **Audit Committee**
of the **Test Valley Borough Council**
held in Conference Room 1, Beech Hurst, Weyhill Road, Andover
on Monday, 26 September 2022 at 5.30 pm

Attendance:

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

Councillor N Gwynne

Councillor M Maltby

216

Apologies

Apologies for absence were received from Councillor Parker.

217

Public Participation

There was no public participation.

218

Declarations of Interest

There were no declarations of interest.

219

Urgent Items

There were no urgent items to consider.

220

Minutes

Resolved:

That the minutes of the meeting held on 20 June 2022 be confirmed and signed as a correct record.

221

External Audit Update

Kevin Suter of Ernst and Young explained to Members that the purpose of the report was to set out the basis on which the auditors prepared for the audit and also to provide an update on the progress to date of the audit. He anticipates providing an opinion on the financial statements for the 2021/22 year and the assurance on value for money conclusion at the next meeting.

Kelly Gates took Members through the key risks that were identified and gave an update on progress on the following:

- Risk of fraud in revenue and expenditure recognition
- Misstatements due to fraud or error
- Accounting for Nitrate Credits
- Valuation of Land and Buildings
- IAS19 – Pensions Accounting

The final report will be presented at the Audit Committee in December.

Resolved:

1. **That the Audit Planning Report, as shown in Annex 1 to the report, be noted.**
2. **That the Draft Audit Results Report, as shown in Annex 2 to the report, be noted.**

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Audit Strategy and Charter

The report of the Internal Audit Manager sought approval of the updated Internal Audit Charter and Strategy.

The Internal Audit Charter is a policy document that enables the Internal Audit Manager and internal audit activity to effectively carry out their roles in the organisation. It establishes clarity among risk managers within the organisation and among stakeholders of internal audit's role in the risk management process and helps enable them to measure internal audit's value. The Internal Audit Strategy works alongside the Charter and outlines the strategic approach that will be adopted by the Internal Audit Manager in managing and delivering the Internal Audit Service.

Resolved:

That the updated Internal Audit Charter and Strategy be approved.

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Internal Audit Progress Report to 31 August 2022

The report of the Internal Audit Manager outlined the work undertaken and progress against the Internal Audit Plan for 2022/23 by Internal Audit to 31 August 2022.

As at 31 August progress on the planned 2022/23 Audit Plan is on target. The procurement of additional external resource will be sought to support the delivery of the plan if needed. Since 1 April 2022, the Internal Audit function has made good progress against the Annual Audit Plan 2022/23.

Of the 5 audits reported as complete, 3 were classified as substantial assurance and 2 as limited assurance.

The Internal Audit Manager requested Members' feedback on the format of the report for future meetings. Members suggested that for those items with limited assurance an additional brief summary on how things have been improved would be helpful.

Resolved:

That the Internal Audit progress report be noted.

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Audit Committee Work Programme

The proposed work programme for the Audit Committee is based on the work previously carried out by the Audit Panel and those functions of other Committees that have been transferred to it. It is therefore considered to provide a sound basis for the work required to be carried out by the Audit Committee during the year. There will be opportunities to add or amend items on this programme throughout the year.

The Head of Finance and Revenues advised that the Annual Complaints Report had previously been deferred to the December meeting.

Resolved:

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

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Corporate Risk Register - 6 monthly Update

The report of the Internal Audit Manager provided an update on the risk management process and a summary of the Council's Corporate Risk Register.

The purpose of risk management is to manage the barriers to achieving the Council's objectives. Maintaining an up-to-date risk register will assist with allocating resources to manage risks and to monitor the actions to mitigate them.

Risks are identified and managed throughout the year as part of the Council's Performance Management Framework and the Internal Audit Manager facilitates the risk management process, updates the Corporate Risk register and is able to respond to any queries relating to the risk management process. Any questions relating to the management of specific risks should be referred to the "Risk Owner" shown in the register.

It was requested that more detail be applied to the Corporate Risk Register for the Committee. The Internal Audit Manager added some detail verbally at the meeting and a further discussion around this will take place.

Resolved:

That the Council's Corporate Risk Register be noted.

(The meeting terminated at 6.43 pm)