

Minutes of the **Audit Committee**
of the **Test Valley Borough Council**
held in The Annexe, Crosfield Hall, Broadwater Road, Romsey
on Monday, 18 March 2024 at 5.30 pm

Attendance:

Councillor S Hasselmann
(Vice-Chairman)

Councillor R Hughes

Councillor R Kohli

Also in attendance:
Councillor M Flood

497

Apologies

No apologies for absence were received.

498

Public Participation

There was no public participation.

499

Declarations of Interest

There were no declarations of interest.

500

Urgent Items

There were no urgent items to be considered.

501

Minutes of the previous meeting

Councillor Hasselmann proposed and Councillor Kohli seconded the motion that the minutes of the previous meeting were an accurate record. Upon being put to the vote the motion was carried.

Resolved:

That the minutes of the meeting held on 12 December 2023 be confirmed and signed as a correct record.

502

External Audit Update

The Council is required to produce and approve an Annual Statement of Accounts for each financial year.

Those accounts are subject to audit which is carried out by Ernst & Young (EY). EY report their opinion on the accuracy of the statement of accounts and also provide a value for money conclusion on the Council's use of resources.

Kevin Suter of Ernst & Young presented the 2022/23 Value for Money Report for consideration and an update on the position regarding the national backlog of public sector audits.

There are three specified reporting criteria on which EY reported, these are:

- Financial Sustainability
- Governance
- Improving economy, efficiency and effectiveness

In the case of all of the above, no significant risks or weaknesses have been identified.

The following recommendation was proposed by Councillor Hasselmann and seconded by Councillor Kohli.

Resolved:

That Ernst & Young's Value for Money Report, as shown in the Annex to the report, be noted.

503

Annual Governance Statement 2023/24

Consideration was given to a report of the Head of Finance and Revenues which sought approval for the Annual Governance Statement, which will accompany the 2023/24 Statement of Accounts.

Best practice requires that the approval of this Statement is considered separately from the Statement of Accounts, although both are published together each year.

The Annual Governance Statement is part of the framework for delivering good governance in local authorities. The Statement is signed by both the Leader and Chief Executive and is published with the Statement of Accounts each year to demonstrate a commitment to the continuous review and development of the Council's governance arrangements.

Following a request from the Committee, Officers will investigate whether there is an official 'lessons learnt' document in light of the Coronavirus Pandemic.

The following recommendation was proposed by Councillor Hasselmann and seconded by Councillor Hughes.

Recommendation to Council:

That the Annual Governance Statement for 2023/24 be approved and that the Leader and Chief Executive be authorised to sign it on behalf of the Council.

504 Internal Audit Progress Report to 29 February 2023 and Draft Annual Audit Plan 2024/25

Consideration was given to a report of the Internal Audit Manager, which set out the Internal Audit coverage, findings and performance for 2023/24 to 29 February 2024 and summary risk profile for those areas reviewed. It also presented the Draft Annual Audit Plan for 2024/25, which had been aligned to current risks and reflects the Council's key priorities and objectives.

Since 1 April 2023, the Internal Audit function has made good progress against the Annual Audit Plan 2023/24. Of the 4 audits reported as complete, 3 were classified as substantial assurance and 1 had a split assurance opinion of substantial/limited.

All actions arising from audit reviews to date have been accepted by management and programmed for implementation.

The following recommendation was proposed by Councillor Hasselmann and seconded by Councillor Kohli.

Resolved:

- 1. That the Internal Audit Progress Report be endorsed.**
- 2. That the draft Annual Audit Plan for 2024/25 be approved.**

505 Corporate Risk Register - Update

Consideration was given to a report of the Internal Audit Manager, which provided an update and summary of the key risks contained in the Council's Risk Register.

The purpose of risk management is to assess the potential barriers to achieving the Council's corporate objectives and priorities. Maintaining up-to-date risk registers at both a Corporate and Service level assists with the management of risks and monitoring of the actions to mitigate them.

Risks are identified and managed throughout the year as part of the Council's Performance Management Framework. The Internal Audit Manager facilitates the risk management process, updates the Corporate Risk register and can respond to any queries relating to the risk management process. Each risk has a designated officer as "Risk Owner" and they are responsible for ensuring that all agreed mitigation actions are completed.

The following recommendation was proposed by Councillor Hasselmann and seconded by Councillor Hughes.

Resolved:

That the updated Corporate Risk Register be noted.

506 Anti-Fraud and Corruption Policy (including Whistleblowing) - Annual Update

The report of the Internal Audit Manager provided an update on the Council's Anti-Fraud and Corruption Policy (including Whistleblowing).

The Anti-Fraud and Corruption Policy, which includes Whistleblowing demonstrates the Council's commitment to the prevention, deterrence, detection and investigation of all forms of fraud and corruption and covers:

- Roles and responsibilities of Members and Officers.
- Anti-fraud and corruption framework.
- Responding to allegations and concerns raised internally and externally (Whistle-blowing).
- Actions to be taken when fraud or corruption is discovered.

The following recommendation was proposed by Councillor Hasselmann and seconded by Councillor Kohli.

Resolved:

That the update on the Anti-Fraud and Corruption Policy (including Whistleblowing) be noted.

507 Accounting Policies 2023/24

The Council is required to prepare an Annual Statement of Accounts in accordance with proper accounting practices. The Accounting Policies form the basis of the figures in the Statement of Accounts and discloses policies that are significant and relevant to the Council.

The following recommendation was proposed by Councillor Hasselmann and seconded by Councillor Hughes.

Resolved:

That the Accounting Policies, attached as the Annex to the report, be approved.

(The meeting terminated at 6.25 pm)