
AUDIT COMMITTEE

MINUTES of the Virtual Meeting held via Skype on Wednesday, 10 March 2021 from 7.00 pm - 7.48 pm.

PRESENT: Councillors Derek Carnell, Simon Clark (Chairman), Simon Fowle, James Hall (Vice-Chairman), Ann Hampshire, Nicholas Hampshire, Denise Knights, Peter Macdonald and Julian Saunders.

OFFICERS PRESENT: Billy Attaway, Alison Blake, Rich Clarke, Kellie MacKenzie and Nick Vickers.

Darren J Wells (Grant Thornton)

ALSO IN ATTENDANCE: Councillors Cameron Beart, Ken Rowles, Steve Davey and Tim Gibson.

521 INTRODUCTION

The Chairman explained that the meeting would be conducted in accordance with the Local Authorities and Police and Crime Panel (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 No.392.

In welcoming all Members and members of the public, the Chairman explained which Swale Borough Council officers were in attendance. The Chairman also welcomed Darren Wells from Grant Thornton.

522 MINUTES

The Minutes of the Meeting held on 25 November 2020 (Minute Nos. 271 – 276) were taken as read, approved and signed by the Chairman as a correct record.

523 DECLARATIONS OF INTEREST

No interests were declared.

524 INTERNAL AUDIT PLAN 2021/22

The Head of Audit introduced the Internal Audit and Assurance Plan for 2020/21 which set-out the Audit Partnerships plan for specific audit activities and projects to be delivered over the course of the year.

The Head of Audit advised Members that the report was based on a risk assessment and gave assurances to the Committee that the Plan was compiled independently and considered the key risks. He highlighted some high priority engagements in IT Development, the Health & Wellbeing Strategy and Phishing Responses.

He reported that page 21 of the report set out how the Audit Partnership planned to deliver and maintain the quality of work including the Quality Assurance program. He stated that the audit team had sufficient resources to carry out the plan. He informed members that the team continued to develop and improve as all either now held or were working towards a professional qualification.

The Head of Audit asked Members to consider and approve the plan.

In response to Members questions the Head of Audit advised that the reason why Swale has less Audit days than previous years was due to vacancy issues and the struggle to appoint new staff in the coronavirus environment. He advised members that once there is more flexibility with recruitment the Audit Partnership will look to appoint new members.

Resolved:

- (1) That the Internal Audit and Assurance Plan for 2020/21 be approved.**
- (2) That the Head of Audit Partnership's view that the Partnership currently has sufficient resources to deliver the plan and a robust Head of Audit Opinion be noted.**
- (3) That the Head of Audit Partnership's assurance that the plan is compiled independently and without inappropriate influence from management be noted.**

525 ANNUAL RISK MANAGEMENT REPORT

The Audit Manager introduced the report which outlined the Council's risk management arrangements.

The Audit Manager drew attention to pages 40-42 of the report which showed the risk process as set out in the Risk Management Framework. The Audit Manager then identified to Members that page 43 of the report showed the work undertaken throughout the year which focused on two main areas: corporate risk and operational risk. The diagram on the bottom of page 43 of the report showed Members the risk profile in February 2020 compared to the current risk profile, February 2021.

The Audit Manager wanted to draw Members attention to two new corporate risks that had been added to the Corporate Risk register. The first was the 2021 Elections due to the difficulty of carrying them out in the restrictive requirements of the Covid-19 pandemic. The second was Social Inclusion to reflect the development of the Council's new Social Inclusion Strategy. The Audit Manager wanted to clarify with Members that two risks remained at the outer limit of the Council's risk appetite which related to increases in homelessness and having the funds to deliver core services and Council priorities. These risks were routinely monitored by Strategic Management Team.

The Audit Manager referred Members to the four key areas of work planned for 2021-2022 which were set-out on page 47 of the report. The Audit manager asked Members to consider and note the Annual Risk Management report.

A Member raised concern on the mitigating risk of the Housing Supply and asked the Audit Manager why the risk rating had lowered. The Audit Manager explained that this was based on a future risk rating and was constantly reviewed over the year to look at ways to mitigate the risk of park homes.

Members also raised the following points:

- The Council had more risks this year than previous years;
- if the development in the Borough was smaller than planned would this affect the budget and the overall risk?;
- the Swale House refurbishment was an unnecessary expense of public money;
- had the Council received input from building contractors on the Swale House refurbishment; and
- other Heads of Service may need to attend future Audit Committees to answer the more specific questions from Members.

Resolved:

(1) That the Annual Risk Management report be noted.

526 2019/20 ANNUAL AUDIT LETTER

Darren Wells (Grant Thornton) introduced the report which provided a summary of the findings off the work undertaken by Grant Thornton in 2019/2020.

Resolved:

(1) That the external auditor's Annual Audit Letter be noted

527 AUDIT PROGRESS REPORT

Darren Wells (Grant Thornton) introduced the report which provided an update on where they were with the current Housing Benefit subsidy claim and wanted to assure the committee this work would be completed by 13 March 2021 and would be reported back to Members at their next meeting schedules for 26 July 2021.

Mr Wells referred Members to page 87 of the report, which highlighted the new code of Audit Practice which had resulted in a revised approach to the audit Value for Money. Some of the changes included a new set of key criteria, more extensive reporting and required auditors to consider whether the body had put in place proper arrangement to secure economy, efficiency and effectiveness in its use of resources. The new standards had impacted the way that the auditors approached management and required more detail from them in order to reflect the Financial statements.

The Chairman pointed out to Mr Wells that the Audit was scheduled very late in the process and asked for assurance that it would be completed by the end of September 2021.

Mr Wells confirmed that the planned delivery has changed from three phases to just two phases and assured Members that the Audit would be delivered by September 2021.

Resolved:

(1) That the external Audit Progress Report be noted.

Chairman

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All Minutes are draft until agreed at the next meeting of the Committee/Panel