

## Audit Committee – 14 March 2023

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Minutes of the meeting of the Audit Committee held on when there were present:-

Chairman: Cllr Mrs L A Butcher  
Vice-Chairman: Cllr G W Myers

Cllr M R Carter

Cllr Mrs E P Gadsdon

Cllr R Milne

Cllr Mrs V A Wilson

### OFFICERS PRESENT

T Willis - Interim Director of Resources  
M Porter - Chief Audit Executive, Basildon Borough Council  
S Worthington - Principal Democratic & Corporate Services Officer

### APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs A G Cross, M Hoy, J L Lawmon, Mrs C M Mason and Mrs L Shaw.

### SUBSTITUTE MEMBERS

Cllr D W Sharp - for Cllr A G Cross  
Cllr Mrs T L Carter - for Cllr Mrs L Shaw

### 70 MINUTES

The Minutes of the meeting held on 16 November 2022 were approved as a correct record and signed by the Chairman.

### 71 EXTERNAL QUALITY ASSESSMENT OF THE COMBINED INTERNAL AUDIT SERVICE

The Committee considered the report of the Interim Director of Resources presenting the findings from the external assessment of the Combined Internal Audit Service carried out by the Chartered Institute of Public Finance and Accountancy (CIPFA) as to the function's compliance with the Public Sector Internal Audit Standards (PSIAS).

In response to a question in respect of paragraphs 5.5 and 5.6 on pages 6.10 and 6.11 of the report relating to Attribute Standards 1100 and 1200, the former of which was fully implemented, and the latter, relating to the use of specialist data analytics software, which was deemed not to be appropriate for the service, officers advised that many of the necessary controls were already in place. In the case of payments, for example, the system already checks to see whether there are duplicate invoices or if the same amount was being paid again; the necessary controls were already built into the Council's software system. The recommendation was asking for additional checks to be performed; however, those checks were already being performed by the Council's software system. To undertake further work, as recommended, on data analytics, would be duplicating work that was already being undertaken by

the system. In addition, the Council also participated in the National Fraud initiative; every two years all the Council's data was matched across a number of local authorities. This was thus money that the Council did not need to spend.

### **Resolved**

That the results of the External Quality Assessment be noted. (IDR)

## **72 INTERNAL AUDIT PLAN AND CHARTER 2023/24**

The Committee considered the report of the Interim Director of Resources presenting the proposed 2023/24 audit plan.

In response to a Member question relating to the link between the audit plan and the Council's corporate risks and whether the Council's treasury management strategy was monitored in terms of risks associated with investments made with various banks, officers advised that there was a wider risk within the Council's Risk Register relating to financial resilience. Officers emphasised that Council has no debt, nor does it have a high level of investment. The Council's treasury management strategy was presented to Full Council at the recent Budget meeting, and there was also a mid-year review of the strategy, as well as a retrospective review. The Council only invested in very safe banks. The number one priority for investments for RDC and for all prudent local authorities generally was security. The Council would not invest in any banks that fell below a certain standard, as defined by the finance industry.

A Member complimented officers on the clarity of the report, in which information was presented in a clear, digestible format for Members.

Responding to a Member question as to whether it would be possible for the Committee to receive full reports when risks were audited, rather than high level reports, officers confirmed that the Committee and relevant Portfolio Holder received the full findings from audits in the quality assurance report.

A Member queried Appendix A to the report and whether the two right hand columns signified the impact on the Council in terms of finances and reputation; he observed that he would have expected to see a measure against the risk register, with colour coding, of the relative importance of breaches of these controls. Officers advised that the audit plan was the Chief Audit Executive's assessment of the work that needed to be undertaken. Activities identified as Audit priority 1 related to work that needed to be undertaken in order for the Chief Audit Executive to have assurance at year end. Activities identified as Audit priority 2 were areas that need to be examined but that weren't as important to the overall opinion provided at year end. In terms of audit priority 2, Internal Audit was seeking to enhance the control framework, look for efficiencies of operation; these weren't as important, however, in terms of providing the overall opinion at year end.

In response to a Member question as to whether it would be possible to colour code the Corporate risk priority headings in the Appendix so that the Committee could see the most important ones in terms of the impact on the Council, officers confirmed that this would be looked at. The Interim Director of Resources emphasised that risk management was woven into the audit plan. Once audits were completed the Committee could ask for further reports and could also request that relevant Directors/Portfolio Holders attend meetings in order to answer specific questions on the audits. The audit plan was flexible and reassessed mid-year to gauge whether there were any new emerging risks that needed to be addressed at which point the plan would be audit plan would be amended. Quarterly update reports to the Committee included details of any such changes to the plan.

Responding to a Member question as to how frequently the Council's insurance arrangements are audited, officers advised that this was dependant on whether there had been any changes in process, change in controls or any increased risk that would trigger an audit. In the case of, e.g., any contractor accident, the relevant contract would be reviewed in light of any increased risk.

**Resolved**

(1) That the proposed Audit Pan for 2023/24 be approved.

(This was agreed unanimously).

(2) That the Internal Charter be noted. (IDR)

The meeting closed at 8.00 pm.

Chairman .....

Date .....

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