

Audit Committee
20 OCTOBER 2020

Present: Councillors: Stuart Ritchie (Chairman), John Blackall (Vice-Chairman), Tony Bevis, Paul Clarke, Ruth Fletcher, Richard Landeryou and Jack Saheid

AAG/16 **MINUTES**

The minutes of the meeting held on 15 July were approved as an accurate record and it was agreed that they would be signed by the Chairman once the COVID-19 situation had abated.

AAG/17 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

AAG/18 **ANNOUNCEMENTS**

The Chairman informed the Committee that the Annual Statement of Accounts had been audited and brought back to note and approve the changes.

AAG/19 **RISK MANAGEMENT - QUARTERLY UPDATE**

The Director of Corporate Resources presented the Risk Management Quarterly Update to the Committee. The report included an update on the Corporate Risk Register for consideration and provided an update on progress with the quarterly departmental risk register reviews.

There were five High Risks on the corporate risk register with CRR19 being a new risk:

CRR01b - Funding from Government is less generous than assumed in the Medium-Term Financial Strategy (MTFS) from 2021

CRR19 - Ongoing reduction in planning fees; reduced car parking income; increased homelessness; and increased housing benefit claims; leisure centres; property income; investment income.

CRR35 - COVID-19 (i) The Council is unable to deliver statutory front line services to the community due to, for example, staff shortages or unavailability of key officers. (ii) Substantial financial loss to the Council.

CRR01c - Decrease in Rateable Value due to appeals and businesses going under. This may cause the Council to fall below the business rates baseline, resulting in loss of funding.

CRR18 (i) - A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems. (ii) IT not working due to environmental problems: fire, flood, power cut.

Departmental risk registers had been reviewed and updated.

AAG/20 **INTERNAL AUDIT - QUARTERLY UPDATE REPORT**

The Chief Internal Auditor provided Members with an update on all internal audit and counter-fraud activity completed during the quarter, with a summary of all key findings. There were also updates on the progress of delivery of the annual audit plan and the performance of the internal audit service.

Of the two formal audits finalised during the quarter, one received an opinion of 'reasonable assurance', and the other was a non-opinion review.

Formal follow-up reviews would continue to be carried out for all audits that had received 'minimal assurance' and high risk areas that had received 'partial assurance' opinions.

Internal Audit had continued to liaise with departments to identify any new or emerging risks.

It was reported that the internal audit plan for the year remained under regular review to ensure that the service continues to focus its resources in the highest priority areas based on an assessment of risk. Through discussions with management, the following reviews had been added to the audit plan during the year:

- Review of the Community Hubs – Covid-19 Red Response;
- Purchase Cards, including areas of spend.

Through the same process, audits had been deferred from the audit plan and would be considered for inclusion in the 2021/22 plan as part of the overall risk assessment completed during the annual audit planning process:

- Capitol Bar and Catering Facility;
- Volunteers.

AAG/21 **EXTERNAL AUDIT - AUDIT RESULTS REPORT**

The External Auditors provided a summary of their Audit Results Report for the year ending 31st March 2020 following their Audit Progress report from July 2020.

The External Auditors had substantially completed their audit of Horsham District Council's financial statements and performed the procedures outlined in the Audit planning report.

Subject to satisfactory completion of the following outstanding items the External Auditors expected to issue an unqualified opinion on the Authority's financial statements:

- Completion of subsequent events review;
- Receipt of the response from Those Charged with Governance; and
- Receipt of the signed management representation letter

The Chairman requested that the External Auditors report their property valuation methods in future reports.

AAG/22 **STATEMENT OF ACCOUNTS AND LETTER OF REPRESENTATION**

The Head of Finance summarised the changes made to the Statement of Accounts for the Committee.

RESOLVED

- i) That the Audit Committee delegate approval of the 2019/20 Audited Statement of Accounts to the Chairman of the Audit Committee, in consultation with the Director of Corporate Resources, to be completed before 30 November 2020.
- ii) That the letter of Representation be agreed by the Audit Committee and signed by the Director of Corporate Resources and the Chairman of the Audit Committee.

AAG/23 **URGENT BUSINESS**

There was no urgent business.

The meeting closed at 6.25 pm having commenced at 5.30 pm

CHAIRMAN