

Audit Committee
20 SEPTEMBER 2023

Present: Councillors: Mike Wood (Chairman), Dennis Livingstone (Vice-Chairman), Richard Landeryou and Belinda Walters

Apologies: Councillors: Len Ellis-Brown, Anthony Frankland and Tony Hogben

AAG/16 **MINUTES**

The minutes of the meeting held on 12 July were approved as a correct record and signed by the Chairman.

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

There were no declarations of interest.

AAG/18 **ANNOUNCEMENTS**

The Chairman advised the Audit Committee that the Chief Internal Auditor Paul Miller was retiring after nearly three decades working for Horsham District Council. He thanked him for his hard work and commitment over the years and wished him well in his retirement.

AAG/19 **2021/22 ANNUAL AUDITOR'S REPORT**

The Chairman invited Elizabeth Jackson, partner at Ernst & Young to introduce the external auditor report for 2021/22.

The committee were advised that the 2021/22 Annual Auditors Report had been signed off on 15 August as planned and as reported at the July Audit Committee no weaknesses or significant risks had been identified.

Members were keen to gain clarity on the delay in auditing of 2022/23 accounts, lack of Audit Plan for 2022/23 and situation for auditing 2023/24 accounts in the future.

The committee were advised that Ernst & Young had paused all 2022/23 audits until guidance had been received from the Department for Levelling Up, Housing and Communities (DLUHC).

DLUHC along with the Financial Reporting Council (FRC) who regulate the audit market, are currently consulting all Councils and audit firms regarding Audit Plans and timeframes with the view to getting these aligned moving forward.

Consideration will also be given to dealing with audit backlogs and an agreed timetable.

The committee were advised that DLUHC had proposed some statutory backstop dates for publishing audited accounts however these were yet to be confirmed.

The proposed dates are:

- 2020/21 and 2021/22 audits 31/03/2024
- 2022/23 audit 30/09/2024
- 2023/24 audit 31/03/2025

Further guidance from DLUHC should be provided by the end of September and it is hoped that more information should be available at the next Audit Committee.

It was acknowledged that the current situation was frustrating for all involved and work was being undertaken to provide robust solutions moving forward.

AAG/20 **RISK MANAGEMENT - QUARTERLY UPDATE**

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

It was reported that there had been no changes since the July Audit Committee where five risks were considered to be high:

- CRR01b Funding from government is less generous than assumed in the Medium-Term Financial Strategy (MTFS) from 2025.
- CRR17 The Housing Benefit Subsidy claim may be qualified and/or financial losses.
- CRR38 Inability to recruit and retain officers in key service areas, especially Legal, Building Control, Tech, but across the Council, leading to failure to achieve agreed business objectives.
- CRR18 A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.

IT not working due to environmental and economic problems: fire, flood, power cut and issues with the supply chain preventing new infrastructure arriving in a timely manner.

CRR19 Rapidly rising costs from inflation together with ongoing lower levels of income from fees in some areas, and other cost pressures such as increased homelessness; and increased housing benefit claims.

Members discussed the housing benefit subsidy, rapidly rising inflation costs, ongoing lower levels of income and ICT infrastructure risks. The Director of Resources advised the committee that the Council is constantly trying to identify risks and improve processes and feedback was always welcomed.

RESOLVED

Members noted the contents of the report.

AAG/21 **INTERNAL AUDIT - QUARTERLY UPDATE REPORT**

The Director of Resources presented the report from the Chief Internal Auditor which provided a progress report of internal audits carried out during Quarter 1 of 2023/24 (1 April 2023 – 30 June 2023).

The two audits finalised during the quarter related to follow ups for Private Sector Housing Assistance Grants and Land Charges and both received an opinion of 'substantial assurance'.

Members noted the contents of the report.

AAG/22 **URGENT BUSINESS**

There was no urgent business.

The meeting closed at 6.09 pm having commenced at 5.30 pm

CHAIRMAN