

## **EAST HAMPSHIRE DISTRICT COUNCIL**

At a meeting of the Audit Committee held on 8 June 2021

Present

Councillor: B Bentley (Chairman)

Councillors: K Budden, K Carter, A Williams and T Maroney (Reserve)

### **1 Apologies for Absence**

Apologies for absence were received from Cllr Wigman.

### **2 Declarations of Interests**

There were no declarations of interest.

### **3 Annual Internal Audit Report and Opinion**

The Committee received the Annual Internal Audit Report for 2020-21 which provided the Chief Internal Auditor's opinion on the adequacy and effectiveness the Council's framework of risk management, control and governance processes and summarised the audit work from which that opinion is derived for the year ending 31 March 2021. The Chief Internal Auditor drew the Committee's attention to the following areas:

- a) Internal audit was compliant with the Public Sector Internal Audit Standards during 2020-21;
- b) The Council's framework of governance, risk management and management control was considered to be 'Reasonable' and audit testing has demonstrated controls to be working in practice; and
- c) Where internal audit work identified areas where management controls could be improved or where systems and laid down procedures were not fully followed, appropriate corrective actions and a timescale for improvement were agreed with the responsible managers.

He highlighted that there had been 25 audit reviews, and that of these there had been six substantial, eight reasonable and two limited audit opinions provided. Three pieces of work had been affected by the pandemic, and would not be included in the current opinion, but would be rolled forward to 2021/22.

The Parking enforcement and building control limited assurances were as a result of system rather than service-based issues and arose as a result of the documentation within the systems. Overall, there had been a positive direction

of travel. He thanked all officers in helping to produce a 88% delivery over a year when internal audit teams in other councils had been moved into Covid-19 related work.

In the ensuing conversation the following points were made:

That the council had made a great deal of progress following the audit report that had been received for 2019/20.

The issues around parking enforcement were not finalised, but that the end of year position had been effectively reconciled.

In reply to a question, the Head of Finance agreed that when the payroll contract was put out to Capita a number of staff within the council had been lost. When the exchequer service was in-sourced from them at the start of the current year, no staff had been TUPE'd across from Capita. Trained staff had been appointed on the payroll and exchequer side and the teams were now up to establishment.

The Committee thanked the Internal Audit Service and the officers of the council for their work in ensuring that the report had been completed during such a difficult year.

RESOLVED: That the Committee note the report.

#### **4 Annual Governance Statement**

The Committee noted the draft Annual Governance Statement 2020-21

The Interim Director of Corporate Services reported that the draft Statement 2020-21 at Appendix A detailed the governance framework, including the key elements of the Council's governance arrangements, a review of the framework outlining the annual review process and overall opinion, and further improvement areas. It was the Chief Executive's and Chief Finance Officer's opinion that the overall governance arrangements of the Council were sound. The Annual Governance Statement was informed by the self-assessment of compliance against the principles by the Governance Manager, the Annual Governance Questionnaire, and the work of internal audit and external audit. The East Hampshire District Council Annual Governance Statement 2020-21 would be published with the Annual Statement of Accounts.

It was noted that although the Governance Improvement Action Plan deadlines had been passed the Interim Director of Corporate Services said that, as this was a living document historical issues such as this would be addressed when it was finally presented to the Committee, together with the Annual Statement of Accounts.

In reply to a comment concerning the drop in confidence in information governance that had emerged from the Annual Governance Questionnaire, the

*Audit Committee (8.6.21)*

Chairman suggested that this should be an area that the Committee could consider, and address should it continue to consider in the next questionnaire.

It was agreed that training for Audit Committee members would be undertaken once Covid restrictions were lifted.

RESOLVED: That the draft Annual Governance Statement 2020-21 be noted.

**The meeting commenced at 5pm and concluded at 6.02pm**

Chairman.....