

**25 OCTOBER 2019**

**NEW FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee held on Friday, 25 October 2019

- \* Cllr Alan O'Sullivan (Chairman)
- \* Cllr Emma Lane (Vice-Chairman)

**Councillors:**

- \* Alan Alvey
- \* Hilary Brand
- \* Mahmoud Kangarani

**Councillors:**

- \* Martyn Levitt
- \* Ann Sevier
- \* John Ward

\*Present

**Also In Attendance:**

K Suter, Ernst & Young LLP

**Officers Attending:**

Alan Bethune, Amanda Chalmers, Richard Fudge, Antony Harvey, Omar Khalif, Miranda Ritchie and Andy Rogers

**24 MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 26 July 2019 be signed by the Chairman as a correct record.

**25 DECLARATIONS OF INTEREST**

No declarations of interest were made in connection with any agenda item.

**26 PUBLIC PARTICIPATION**

There was no public participation at the meeting.

**27 INTERNAL AUDIT PROGRESS REPORT 2019/20**

The Committee received a progress report from the Internal Auditor. Delivery of the year's audit plan was well underway and with nearly 60% either completed or work in progress.

Officers reported that the Payment Card Industry (PCI) compliance work had been delayed as the new finance system was targeting an April 2020 go-live.

Members received an update from the Service Manager for Compliance and Asset Management on actions taken following an audit of Lift Inspection and Maintenance arrangements, which had concluded with a Limited Assurance opinion. Inconsistencies had been found in various records kept on the maintenance of lifts

located within Council housing. Those installed prior to 2009 were the responsibility of the Council, and those installed after this date being the responsibility of the tenant. All of these lifts have now been adopted by the Council. All lifting equipment within Housing Services remit has been reconciled and are now on a programme of servicing and inspection in line with legislative requirements. A Compliance Officer and dedicated administration are now monitoring all compliance on the asset maintenance database. A Housing Landlord Services Lifts and Lifting Equipment Policy has been approved by the Portfolio Holder for Housing Services and is effective from 24<sup>th</sup> October 2019.

**RESOLVED:**

That the report be noted

**28 ANNUAL AUDIT LETTER FOR YEAR ENDED 31 MARCH 2019**

The Committee received the external auditor's Annual Audit Letter for the year ended 31 March 2019.

Reference was made to an issue which had arisen relating to Housing Maintenance. The external auditor reported that he was aware of the matter but he did not believe it was a material issue and was not relevant to the Value for Money statement in the report. It was further reported that there were procedures in place to deal with such issues, and members requested a report back on these.

Members also asked about the pension liability following the McCloud judgement, which was reported as £535k. This was not material in the context of £90m in funding. It was noted that a pension update would shortly be received by the Corporate Overview and Scrutiny Panel.

**RESOLVED:**

That the report be noted that and that a report be brought to a future meeting on the procedures referred to above.

**29 TREASURY MANAGEMENT MID YEAR MONITORING REPORT 2019/20**

The Committee received the Treasury Management Mid - Year Monitoring Report for 2019/20.

Officers reported an error at Table 4 where the bold total figure for Long term investments at 31/08/2019 should have read £11M, instead of £7M as in the report.

A member asked why Table 6 (Non-Treasury Investments) did not include such assets as Hardley Industrial Estate, and officers undertook to answer this query direct with the member.

**RESOLVED:**

That the report be noted.

**30 ICT/CYBER RISKS**

The Committee received a presentation on the way cyber threats were managed and monitored by the Council.

The presentation covered the top 5 types of cyber attacks, and referred to improvements in related technology and services. Reference was also made to cyber insurance arrangements which were being considered.

It was suggested that the topic be the subject of a pre Council session for all members.

**31 DATES OF FUTURE MEETINGS**

**RESOLVED:**

That the following dates be agreed for the 2020/21 Municipal year:

(Fridays, 9.30am)

29 May 2020  
24 July 2020  
23 October 2020  
29 January 2021  
26 March 2021

**32 AUDIT COMMITTEE WORK PLAN**

The Committee noted its future work plan.

CHAIRMAN