

29 JANUARY 2021

NEW FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Friday, 29 January 2021

- * 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

In attendance:

Councillors:

- Barry Dunning
- Michael Harris
- David Hawkins
- Jeremy Heron
- Alison Hoare

Also In Attendance:

Rob Sarfas, Hampshire County Council

Officers Attending:

Alan Bethune, James Clarke, Liz Foster, Antony Harvey, Andrew Kinghorn, Liz Thomas, Kevin Suter and Andy Rogers

Apologies

1 DECLARATIONS OF INTEREST

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

2 PUBLIC PARTICIPATION

There was no public participation at the meeting.

3 ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2020

The Committee received and noted the Annual Audit Letter for the year ended 31 March 2020.

The external auditors confirmed they had given an unqualified opinion on the Council's accounts, and an unqualified Value For Money conclusion.

4 HOUSING BENEFIT EXTERNAL AUDIT OPINION - VERBAL UPDATE

The Committee received a verbal update from KPMG on the Housing Benefit External Audit Opinion. The points highlighted were as follows:

Approach

- In accordance with the DWP's mandated Housing Benefits Assurance Process, the Council was required to have a review of its Housing Benefit Subsidy claim. For 2019/20 the deadline for reporting to the DWP was 29 January 2021.
- Certification work on Housing Subsidy Benefit claim was carried out in accordance with the DWP's prescribed process over 6 modules

Timetable

- Planning for the work commenced Spring 2020
- Detailed testing commenced in summer 2020, carried out remotely (as a result of Covid-19) with the help and support of the Council's staff and IT team
- The report was submitted to the DWP on 20 January 2021.

Scope of work

- There was a requirement to undertake initial testing of 20 cases (for cells 11, 55, 94 and cell 225).
- Additionally, testing was required to be based on cumulative audit knowledge and experience based on findings in the prior year (2018/19)
- Therefore testing undertaken on the 3 additional areas.

Results

- As a result of the work, errors were reported in 5 cases (3 overpayments and 2 underpayments)
- Two observations were reported – one in relation to a known software issue with the benefits system, and one underpayment
- There was one amendment to the claim form which was required in cell 225 as a result of a typographical error when the original claim was compiled
- There were no other issues to report.

It was noted that the value of the few errors identified was relatively minor, at a few hundred pounds, in comparison to the overall significant sums involved.

5 INTERNAL AUDIT PROGRESS REPORT 2020/21

The Committee received the internal audit progress report for 2020/21.

42% of reviews were concluded and the remainder were up and running. No limited assurance opinions were issued in the report.

Some reviews had been deferred due to Covid, though it was anticipated that sufficient work will have been undertaken to enable the annual opinion and conclusions on governance and control systems to be formed. Any additional risks arising from Covid would be taken into account by internal and external audit.

The Committee noted the position on the live audit reviews and high priority actions.

RESOLVED:

That the report be noted.

6 TREASURY MANAGEMENT STRATEGY REPORT 2021/22

The Committee considered the Council's Treasury Management Strategy Statement 2021/22 to 2023/24, including the Annual Treasury Management Investment Strategy for 2021/22 (and the remainder for 2020/21) and Treasury Indicators for the same period.

The Committee noted a minor update to the figure in the table at Appendix B to Annex A, where the Unsecured figure in the first column should have read 8.9 instead of 2.9.)

RESOLVED:

That it be a RECOMMENDATION to the Council:

- (a) That the Treasury Management Strategy 2021/22 to 2023/24 including the Annual Treasury Management Investment Strategy for 2021/22 (and the remainder for 2020/21) and the Treasury Indicators contained within the report, be approved, subject to the update to Annex A as set out above.
- (b) That authority be delegated to the Section 151 Officer, (who in turn delegates to Hampshire County Council's Director of Corporate Resources, as agreed in the Service Level Agreement), to manage all Council investments (other than the high yield investment portfolio) and borrowing, according Treasury Management Strategy Statement as appropriate.

7 INVESTMENT STRATEGY 2021/22

The Committee considered the Investment Strategy for 2021/22, which the Council must produce to comply with statutory guidance.

The Investment Strategy incorporated all of the Council's investment activities, which consisted of:

- Treasury Management Investments
- Commercial Investments

The strategy set out various performance indicators, showing the implications of the Council's investing activities on the general fund, and the forecast yields expected from the differing investment categories.

RESOLVED:

That it be a RECOMMENDATION to the Council that the Investment Strategy for 2021/22, as set out in Appendix 1 of the report, be approved.

8 STRATEGIC RISK REGISTER

The Committee considered the Council's proposed Strategic Risk Register which had been reviewed following the development of the council's new Community Matters Corporate Plan 2020 to 2024, and taking into account issues arising as a result of the pandemic.

RESOLVED:

That the Strategic Risk Register be approved.

9 THE REGULATION OF INVESTIGATORY POWERS ACT 2000

The Committee received a summary of the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA).

It was noted that the Council had not used its powers in this regard over the past year.

RESOLVED:

That the report be noted.

10 AUDIT COMMITTEE WORK PLAN

The Committee received and noted its work plan.

CHAIRMAN