

31 MAY 2022

**NEW FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee held on Tuesday, 31 May 2022

\* Cllr Alan Alvey (Chairman)  
Cllr Emma Lane (Vice-Chairman)

**Councillors:**

\* Hilary Brand  
Jack Davies  
Martyn Levitt

**Councillors:**

\* Alan O'Sullivan  
\* Ann Sevier  
\* John Ward

\*Present

**Officers Attending:**

Alan Bethune, Grainne O'Rourke, Andy Rogers, Liz Foster and Antony Harvey

**Apologies**

Cllrs: J Davies, E Lane and M Levitt.

**4 MINUTES**

That the minutes of the meetings held on 25 March and 16 May be signed by the Chairman as a correct record.

**5 DECLARATIONS OF INTEREST**

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

**6 PUBLIC PARTICIPATION**

There was no public participation at the meeting.

**7 EXTERNAL AUDIT OF 2020/21 ACCOUNTS - VERBAL UPDATE**

The Executive Head of Financial & Corporate Services explained that the Council had on 4 May 2022 received the External Auditor's signed, unqualified opinion on the 2020/21 accounts, signifying the completion of the external audit.

The External Auditor's report on the 2020/21 accounts would be submitted to the July meeting.

**8 ANNUAL INTERNAL AUDIT REPORT AND OPINION 2021-22**

The Committee received the Annual Internal Audit Report and Opinion 2021/22.

The Committee noted the number and range of reviews undertaken during 2021/22. Culminating in an overall 'Reasonable Assurance' opinion from the Council's Principal Internal Auditor.

It was noted that the Risk Management Update report in July would include the updated Risk Management Strategy and Strategic Risk Register, together with some commentary on the recent shift in overall approach towards risk management.

It was noted that Cabinet would be receiving quarterly updates on the Strategic Risk Register, supported by EMT.

**RESOLVED:**

That the Annual Internal Audit Report and Opinion 2021/22 be approved.

**9 CODE OF GOOD GOVERNANCE REVIEW 2021-22**

The Committee noted the assessment carried out by the Monitoring Officer and the Chief Finance Officer and the actions set out in the Code of Good Governance Review for 2022/22.

The Committee noted details of the Capital Change and Delivery Board, which had been set up to oversee the Council's Capital and Project spend, as well as projects and initiatives to deliver the Council's Transformation Agenda. The Board would give appropriate oversight to ensure budgets were closely monitored and issues escalated as necessary. The Board comprised members of EMT with relevant service managers, and reported to the Cabinet.

The Chairman requested that a rolling training programme be established for Audit Committee members, and officers undertook to develop this and report back.

**RESOLVED:**

That the assessment carried out by the Monitoring Officer and the Chief Finance Officer and the actions set out in Appendix 3 to the report be noted.

**10 DRAFT ANNUAL GOVERNANCE STATEMENT 2021-22**

The Committee considered the Draft Annual Governance Statement.

Members were reminded that the Statement remained open until the conclusion of the 2021/22 audit.

During the course of discussion concerning the PCI DSS issue, it was agreed that an annual report be brought to the Committee on the topic.

**RESOLVED:**

That the Draft Annual Governance Statement for 2021/22 be approved.

**11 PREPARATION OF THE DRAFT 2021/22 ACCOUNTS - VERBAL UPDATE**

The Committee received an update on the preparation of the draft 2021/22 accounts.

It was explained that originally, 31 May 2022 was the date for presenting the draft financial statements to the Committee, however, guidance had since amended the deadline to 31 July 2022. It was also noted that the pension actuary's report had only been received in the last week, giving insufficient time to assess its implications and incorporate into the accounts. Accordingly, it became necessary to defer the presentation of the draft financial statements to the next Committee meeting on 29 July, in accordance with the new deadline.

**12 PCI DSS - UPDATE**

The Committee received an update on progress relating to Payment Card Industry Data Security Standards (PCI DSS).

It was explained that work had been ongoing to ensure compliance with the standards, by increasing use of third - party software and payment services to process the Council's card payments, so that the card holder's data never entered the Council's systems. This measure considerably reduced the scope of the Council's PCI compliance requirements.

Other aspects, such as internal ICT security, internal policies and procedures, and relevant staff training, as well as regular updates from software providers, had also been factored into the compliance requirements.

In addition, the Committee noted that Mastercard had retired its national gateway service, which, like many other organisations, the Council used for telephone and automated payments, and e-commerce payments. This meant that the Council had to arrange for a new system and a team was working to meet the decommissioning deadline.

It was reiterated that an annual report on PCI DSS compliance would in future be submitted to the Committee.

**RESOLVED:**

That the report be noted.

**13 AUDIT COMMITTEE WORK PLAN**

The Committee noted its Work Plan for 2022/23.

CHAIRMAN