

**28 JULY 2023**

**NEW FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee held on Friday, 28 July 2023

\* Cllr Alan Alvey (Chairman)

\* Cllr Matthew Hartmann (Vice-Chairman)

**Councillors:**

\* Hilary Brand  
\* Keith Craze  
\* Jack Davies  
\* Jacqui England

**Councillors:**

Neil Millington  
\* Alan O'Sullivan  
\* Richard Young

\*Present

**In attendance:**

**Councillors:**

Jill Cleary

**Councillors:**

Colm McCarthy

**Officers Attending:**

Alan Bethune, James Clarke, Antony Harvey, Andy Rogers and Daniel O'Rourke

**Apologies**

There were no apologies received.

**15 MINUTES**

The minutes of the meetings held on 22 May and 31 May 2023 were confirmed and signed.

**16 DECLARATIONS OF INTEREST**

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

**17 PUBLIC PARTICIPATION**

There was no public participation at the meeting.

**18 INTERNAL AUDIT PROGRESS REPORT 2023/24**

The Committee received the Internal Audit Progress report for 2023/24.

The report provided the Committee with an overview of internal audit activity completed in accordance with the approved audit plan and an overview of the status of 'live' reports.

44% of the audits were in progress and 56% had yet to commence. The report highlighted progress with actions that had arisen out of previous audit reviews. 7

actions had been completed, with 4 actions overdue. No new audits had been concluded with a Limited or No assurance.

In answer to a question, it was reported that good progress was being made with agreement of appropriate management actions and timescales for implementation, following Committee feedback on 31 May on items previously highlighted as having limited assurance (e.g., engineering works and open spaces). Both reports had been issued for senior management sign off, and included multiple actions with various timescales, with the overall completion date expected in March / April 2024. The actions would be tracked, and the outcomes reported to the Committee at the appropriate time.

It was requested that the rolling Audit Review work programme include an additional column showing expected completion dates for each review.

**RESOLVED:**

That the report be noted.

**19 TREASURY MANAGEMENT UPDATE**

The Committee received the Treasury Management Report Q1 2023/24.

It was noted that from 1 April 2023, quarterly reporting of treasury management prudential indicators was now required.

The report gave the external context, including on changing financial markets, as well as the local context and the Council's borrowing and investments, treasury management activity and non-treasury investments.

In answer to a question in respect of paragraph 7.11, it was noted that the Council would be disinvesting from pooled equity funds, because changing interest rates meant cash investments allowed greater liquidity and now offered comparable income returns.

It was explained that valuations of the Authority's assets was undertaken within the Council's Estates and Valuation team.

**RESOLVED:**

That the report be noted.

**20 STRATEGIC RISK REGISTER**

The Committee reviewed the strategic risk register as part of the six-monthly review process.

The strategic risk register captured the most significant cross cutting risks to the delivery of the current corporate plan and the proposed actions to mitigate these risks as identified with senior officers and members.

In response to a query on ICT, it was explained that the Council's primary data centre was at a site in Gosport, and the secondary data centre was Appletree Court. A project was currently underway to migrate to Azure Cloud Network. Back-

ups complied with industry standards and were regulated appropriately. The detailed arrangements would be confirmed with the member who raised it.

Also, in respect of ICT, it was queried whether the Council used a 'Demilitarised Zone' (DMZ) network as part of its internet security arrangements. Officers undertook to check on arrangements and reply to the member who raised it after the meeting. Officers undertook to provide the Chairman with the outcome the most recent ICT systems penetration testing.

Reference was made to Risk 7, 'Delivering Council Services Through Adverse Environmental Conditions', and the action detailed as E 'Set up links to town and parish councils as they would be involved in implementing actions through adverse conditions.' The Chairman queried progress on this action, as it had been included on the previous Strategic Risk Register brought forward to the Committee, and there did not appear to have been any developments since. In answer, it was explained that additional Emergency Planning staffing resource had recently been obtained, and it was hoped this point could now be given greater focus. Officers undertook to provide details on progress when the next risk register update was given to the Committee.

Members emphasised the need for good communications between county / district / town and parish councils when adverse conditions emerged.

**RESOLVED:**

That the Strategic Risk Register be noted and that the points raised be brought to the attention of the Cabinet.

**21 AUDIT COMMITTEE WORK PLAN**

The Committee received and noted its work plan.

It was noted that the January meeting appeared to have an especially long agenda though it was likely that this would change in the meantime as audit timeframes shifted.

It was noted that an update on the Strategic Risk Register would be submitted to the Committee on a 6 monthly basis and the Work Programme would be amended accordingly.

CHAIRMAN