

AUDIT COMMITTEE
19th MARCH 2024
QUESTIONS FROM MEMBERS OF COMMITTEE

Questions received from the Councillor David Brown

Agenda Item 6 – Audit Committee Annual Review

<p>On Page 15, reference is made to the agreement to appoint a Lay Member, can we have a progress report on where we are with this?</p>	<p>It is anticipated that the Lay Member will be appointed by Annual Council on the 23rd May 2024. The Chief Executive and Director Finance will be initiating a recruitment process in line with CIPFA guidance.</p> <p>The Chief Executive and Director Finance are currently finalising the timetable and assessment criteria.</p>
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Agenda Item 7 – Internal Audit Charter and Strategy

<p>On Page 20 reference is made to the Internal Audit Team, could we have a breakdown of who is the team and who does what?</p>	<p>The Internal Audit service is delegated to North Northamptonshire Council and is delivered by the Internal Audit team employed by North Northamptonshire Council. The audits for East Cambridgeshire District Council are primarily delivered by a team which focuses on delivery of delegated services for a number of local authorities and can be supplemented by the wider audit team as needed.</p> <p>The team primarily working with East Cambridgeshire includes the Chief Internal Auditor, an Audit Manager, Principal Auditor, Senior Auditor and two Auditors. Within this team is a mix of professional qualifications (including ACCA, CIPFA and IIA) and backgrounds. The audits are delivered by a member of the team as allocated by the Chief Internal Auditor based on experience and skillset, and any work by Auditors is supervised by a Principal Auditor or Audit Manager.</p> <p>All audit work is signed off by the Chief Internal Auditor before reports are issued.</p>
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Agenda Item 8 – Internal Audit Plan

<p>Could we have some idea/detail of what Counter-Fraud work involves in practice?</p>	<p>Support with reviewing policies; sharing of alerts / updates; promotion of policies and annual Fraud Awareness Week; daily monitoring of the Report Fraud mailbox and handling of any referrals; providing counter fraud training for officers.</p>
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Agenda Item 9 – Internal Audit Progress Report

<p>On Page 50 reference is made to 20% of credit notes lacking evidence. Can we have further information and assurance as to how this is/has been addressed?</p>	<p>The primary reason for this related to income ECDC received for invoices to Sanctuary for work invoiced by ECDC on behalf of the Trading Company (TC) as, at the time, Sanctuary did not have the TC set up on their system and as such would not accept charges for them. ECDC therefore raised a credit note to the TC, so they received the income. After a lengthy process an account has now been set up with Sanctuary to invoice the TC direct so this will not reoccur.</p>
<p>On Page 51 – Treasury Management, first bullet point, can we have an update on whether the discrepancies identified have been resolved?</p>	<p>This was a timing issue, with one document having been updated and the other one not, this has been resolved since the audit was undertaken.</p>
<p>On Page 53, first line, is there a definition of “significant budget variances”?</p>	<p>The Constitution does not define ‘significant budget variances’ but, in practice, this is applied to any in-year variance of over £10,000.</p>
<p>On Page 53, CIL section, 2nd paragraph what does IFS stand for?</p>	<p>Infrastructure Funding Statement</p>
<p>On Page 53, CIL section. Given the importance of CIL funding, now and into the future can we have some assurance as to how monies are being collected correctly, both in terms of amounts and timeliness?</p>	<p>The procedure notes for the identification of CIL monies due and the collection of the income in line with trigger points have been updated and include the following key controls:</p> <ul style="list-style-type: none"> • Identifying CIL monies due, from completed planning applications and flagging of these on the system • Identifying trigger points and monies due • Verifying self-build status properties after three years • Handling and approving variation requests • Reconciliation of financial information

	In addition to this, to ensure that recovery action is being taken in a consistent and timely manner, monthly management reporting on outstanding balances has been formalised and regular meetings are taking place. This provides oversight of the monies outstanding, actions being taken and sanctions applied.
On Page 60 – Information Governance, can we have an update on progress with the DPIA mandatory field?	The Director Legal has discussed this with the Democratic Services Manager. As the Democratic Services Manager has received a number of requests for fields to be added to the report template, it is proposed that a report will be presented to CMT in May 2024 to consider.

Questions received from Councillor Lucius Vellacott

Agenda Item 6 – Audit Committee Annual Review

(4.9): What will the <u>remit</u> of the Independent Lay Member be?	The Independent Lay Member of the Committee, will be a vital member of Committee assisting in debates, but will not have any voting rights.
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Agenda Item 8 – Internal Audit Plan

Are risks A6 and A7 specifically reviewed regularly under 'Risk Management'?	All risks on the Risk Register and reviewed quarterly by the Risk Management Group and half-yearly by the Audit Committee. In addition, the rolling risk review process can be used to further review any risk entry, with the Audit Committee being able to determine the priority risks for coverage.
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Agenda Item 9 – Internal Audit Progress Report

(Table 2): Could we please have a list of the overdue 'low priority' recommendations?	We do not usually report on low priority actions as they are not considered to pose a risk, rather to improve existing arrangements. This is intended to support the Committee in focusing on the areas of risk. At the time of reporting, there were two low priority actions outstanding, however both have since been closed.
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