



**MINUTES of
AUDIT COMMITTEE
2 FEBRUARY 2017**

PRESENT

Chairman	Cllr B E Harker
Councillors	A S Fluker, M S Heard, R Pratt, A K M St. Joseph and Mrs M E Thompson
Substitute Members	Councillor H M Bass

944. CHAIRMAN'S NOTICES (PLEASE SEE OVERLEAF)

The Chairman drew attention to the list of notices published on the back of the agenda.

945. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M F L Durham and Mrs H E Elliott. In accordance with notice given Councillor H M Bass was acting as substitute for Councillor Durham.

946. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Audit Committee held on 8 December 2016 be approved and confirmed.

947. DISCLOSURE OF INTEREST

There were none.

948. EXTERNAL AUDIT - PROGRESS REPORT

The committee received a verbal presentation from the External Auditors, Ernst & Young LLP (EY).

Ms Debbie Hanson of EY advised Members that the audit planning processes for the 2016 / 17 year had just started. An outline audit plan would be brought to the meeting of the Audit Committee on 30 March 2017 with any risks being identified, together with details of how the work would be planned.

The Chairman introduced the new audit manager, Julie Kriek of EY, to the Committee.

RESOLVED that the verbal report on External Audit Progress be noted.

949. EXTERNAL AUDIT - GRANT CLAIM CERTIFICATION: YEAR ENDED 31 MARCH 2016

The Committee received the report of the Interim Director of Resources presenting the External Auditor's Grant Claim Certification for the year ended 31 March 2016.

Ms Debbie Hanson of EY summarised the certification which was attached as Appendix 1 to the report and advised Members of the Committee that the only return now required was the housing benefit subsidy claim and that this claim was extremely complex in nature. There was a high level of detail required and the audit work done was completed in line with the Department of Work and Pensions (DWP) instructions.

Ms Hanson drew Members' attention to the need for Maldon District Council (MDC) to appoint its own auditor from 2018/19 as the current contract expired in 2017/18. The Interim Director of Resources reminded Members that they had resolved to opt in to arrangements with Public Sector Audit Appointments Ltd (PSAA). PSAA would appoint auditors on behalf of MDC and there was, therefore, no need for a separate procurement process. In addition, work would be undertaken to appoint the same auditor for the housing benefit subsidy claims as an extension to the contract.

RESOLVED that the Grant Claim Certification for the year ended 31 March 2016 be noted.

950. INTERNAL AUDIT - PROGRESS REPORT (JANUARY 2017)

The Committee received the report of the Interim Director of Resources reporting progress to date with regard to work completed and any deviances to, or slippage, on the Internal Audit Plan 2016/17.

Andrew Barnes of BDO (Internal Auditors) advised the Committee that three audits had been completed since the last meeting of the Audit Committee. He then drew Members' attention to the full extent of planned work for 2016/17 as set out in Appendix 1 to the report and gave an update on the current status.

Members requested that they be provided with the full report on Flooding, rather than just a summary. The Interim Director of Resources confirmed that Members were entitled to see the report in full and that it would be emailed to them.

In response to a question, Mr Barnes advised that an update on flooding would be brought to the 30 March 2017 meeting of the Audit Committee. It was further requested that the report identified the different types of flooding. However, Members were advised that the purpose of the report was to identify how MDC deals with flooding responses generally rather than the responses to individual types of flooding. If it was required that different types of flooding be addressed, then this would require a separate piece of work.

Members noted that the draft report on the Council's Committee Structure had been issued to the Chief Executive who was undertaking a response to it. The report would be considered by the Council prior to the Statutory Annual Council Meeting. Members requested that the report be submitted to the Audit Committee prior to it being

submitted to the Council. It was agreed that this would form an agenda item for the next meeting of the Audit Committee.

Following a request, it was agreed that responses to the Member/Officer Survey be circulated to Members of the Audit Committee.

RESOLVED:

- (i) that the progress against the 2016/17 Internal Audit Plan be noted;
- (ii) that a copy of the report on flooding would be emailed to Members of the Audit Committee;
- (iii) that the report on Committee Structure would be submitted to the next meeting of the Audit Committee;
- (iv) that responses to the Member/Officer Survey would be circulated to Members of the Audit Committee.

951. INTERNAL AUDIT - STRATEGIC INTERNAL AUDIT PLAN 2017 - 2020

The Committee considered the report of the Interim Director of Resources on the Strategic Internal Audit Plan 2017- 2020 set out at Appendix 1 to the report and were requested to bring forward suggestions for matters to be included in the plan. The Internal Audit Plan would then be submitted to the Audit Committee for approval at its meeting on 30 March 2017.

Mr Barnes advised Members that the proposed plan had been discussed with the Section 151 Officer and the Chairman of the Audit Committee. He had also met with the Corporate Leadership Team (CLT) and they had requested that where possible work should be linked to other relevant work.

Councillor M S Heard declared a non-pecuniary interest as he was employed by Essex Police.

In response to comments that the Corporate Risk Register contained insufficient information, Mr Barnes advised that a piece of work on risk management was proposed for 2019, but that this could be brought forward if Members were not happy with what has been proposed. The Interim Director of Resources noted the comments and advised that he would report back to CLT and the Officer concerned to see if the information contained in the risk register could be improved.

Members discussed the Strategic Audit Plan, in particular, the following matters:

- The Local Development Plan (LDP) – this Audit would examine how the LDP was being implemented and how MDC was working on it
- Planning Services – enforcement and building control would be included in this;
- Strengthening Communities – an audit would give clarity to what this means and would look at the processes MDC goes through to arrive at its strategy;
- Purchasing – It was noted that MDC was reviewing current arrangements and BDO were assisting with this process;
- Economic Development and Business Rates Growth – it was requested that this also encompass tourism;
- Network Security.

Mr Barnes advised them that the plan was a live document and it was possible to change issues or move them around at any time as it was an iterative process. The Chief Audit Executive would make the decision as to what was in the plan, although Members' opinions would be taken into consideration and influence its contents. Mr Barnes would take back the Members' comments and bring an updated version of the plan to the next meeting to reflect those comments.

Councillor H M Bass left the meeting at this stage and did not return.

RESOLVED:

- (i) that the Strategic Internal Audit Plan 2017 – 2020 be noted;
- (ii) that comments on the lack of detail in the Corporate Risk Register be taken to the Corporate Leadership Team and the relevant Officer;
- (iii) that the revised Strategic Internal Audit Plan 2017 – 2020 be presented to the Audit Committee on 30 March 2017.

There being no further items of business the Chairman closed the meeting at 4.07pm.

B E HARKER
CHAIRMAN

(a)
(b)