



**MINUTES of
AUDIT COMMITTEE
27 SEPTEMBER 2018**

PRESENT

Chairman	Councillor P G L Elliott
Vice-Chairman	Councillor E L Bamford
Councillors	A S Fluker, B E Harker, M S Heard, Miss M R Lewis, A K M St. Joseph and Mrs M E Thompson
In attendance	Councillor R G Boyce MBE

465. CHAIRMAN'S NOTICES

The Chairman advised that Agenda Items 5 – Action Plan of Flood Mitigation Project Across the District and 6 – Quarterly Review of Corporate Risk would be considered later on the agenda as the Officer presenting these items had been delayed.

466. APOLOGIES FOR ABSENCE

There were none.

467. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 26 July 2018 be approved and confirmed.

468. DISCLOSURE OF INTEREST

There were none.

469. EXTERNAL AUDIT - ANNUAL AUDIT LETTER 2017 / 18

The Committee received the report of the Director of Resources presenting the External Auditor's Annual Audit Letter (AAL) 2017 / 18 (attached as Appendix1 to the report).

The Annual Audit Letter (AAL) summarised the key issues which arose from the work carried out by the external auditor for the Council for 2014 / 15, and communicated the significant issues to Members, key stakeholders and members of the public.

RESOLVED that the content of the External Auditor's Annual Audit Letter 2017 / 18 be noted.

470. PERFORMANCE AGAINST 2018/19 INTERNAL AUDIT PLAN REPORT

The Committee received the report of the Director of Resources reporting progress to date with regards to work completed and any deviances to, or slippage, on the Internal Audit Plan 2018 / 19 (attached as Appendix 1 to the report).

Mr Greg Rubins, Partner from BDO LLP (the Council's Internal Auditors) presented the report. He advised that following a discussion with the Section 151 Officer regarding transformation work they were proposing that days scheduled for audit work in relation to Office 365, which was not a priority, be used to focus on the Council's commercialisation plan. This was duly agreed by Members.

RESOLVED that the progress against the 2018 / 19 Internal Audit Plan be noted.

471. INTERNAL AUDIT - FOLLOW UP OF RECOMMENDATIONS REPORT

The Committee considered the report of the Director of Resources reporting progress to date with regards to the implementation of recommendations raised by Internal Audit and set out in Appendix 1 to the report.

Ms Emma Donnelly, from BDO LLP, presented the report and advised that a more up to date position would be brought to the December meeting of the Committee.

It was noted that the report from BDO had been updated by the Director of Resources to reflect information as at 18 September 2018. Some concern was expressed by Members in relation to Officers updating the report from Internal Audit and some alternative wording to 'completed' were suggested if Officers were to amend this report in the future.

Councillor Miss M R Lewis requested it be Minuted that she did not like that the Council were saying something was completed when the Auditors had not given the go ahead that it was complete.

In response the Director of Resources advised that any revisions had been made to ensure that Members were presented with up to date information and the changes had been made using tracked changes to allow Members to see what had changed. She advised that if this was not what Members wanted she would ensure it did not happen again. Mr Rubins (BDO) clarified the process Internal Audit went through to ascertain, from the Council, the information contained within their report. Mr Rubins advised that he did not have any concerns with the updates made by the Director of Resources to the report.

Members were advised of changes to the process for gathering information with the Performance and Risk Officer ensuring that the TEN (Performance and Risk Management) system was updated prior to the Audit Committee therefore ensuring that the information which fed into this report was more up to date.

In response to a question regarding the recommendation '16/17 Information Governance / PCI-DSS' the Director of Resources advised that she had today confirmed with the Technology Implementation Manager that this had been built into the plan as part of transformation.

RESOLVED that the Internal Audit Follow-Up Recommendations be noted.

The Chairman advised the Committee that as the Officer presenting the Flood Mitigation report the Committee would consider the Quarterly Review of Corporate Risk report next.

472. QUARTERLY REVIEW OF CORPORATE RISK

The Committee considered the report of the Director of Resources providing an update on the position as at the end of Quarter One (30 June 2018) on the corporate risks included within the Corporate Risk Register 2018 / 19.

Appendix 1 to the report provided further information on the individual risks including comments by the risk owners outlining the rationale for the current scoring and, where applicable, any movement in the risk scores.

Members commented on the delays in reporting Quarter One risk to the Committee. The Performance and Risk Officer provided some information regarding this and detailed the process for consideration of the risk information prior to it being brought before the Committee. In response to a comment regarding the timeline for Risk reports being brought to the Committee, how adjustments could be made to quarters and / or when Audit Committees took place, the Director of Resources advised that she would raise this as part of strategy planning to be taken into consideration.

The Performance and Risk Officer explained that comments attributed to the risks were based on the position of the risk, along with any mitigating actions at the end of the quarter being reported. Comments were not rolled over from one quarter to the next.

In response to a question as to whether she was happy that corporate risk was being managed effectively, the Director of Resources (Section 151 Officer) advised of the importance for resilience especially during major transformation and how the TEN system pulled all risk information together. She suggested that the Corporate Leadership Team (CLT) bring a short presentation to the next meeting of the Committee as an opportunity to share some of the concerns and thought processes that the CLT go through each quarter when scoring risks.

Councillor A K M St. Joseph made reference to Risk 6 and the comments attributed to it. He proposed that having not considered Agenda Item 5 that the comment regarding this risk not be accepted. This proposal was not supported. The Performance Management Officer reported that it was the intention for the Flood Mitigation Project report to be considered prior to this report.

In response to questions from Members, the following updates were provided:

- Community Infrastructure Levy (CIL) – The Planning Policy Manager reported that the comments within the report reflected anticipation that the Government

would announce new CIL regulations shortly after the National Planning Policy Framework (NPPF) was launched. This had not materialised and the Council's Section 106 Officer had contacted the ministry of Housing, Communities and Local Government and been advised that there was no fixed timetable for introducing the new CIL regulations. Officers would be taking a report to the CLT for consideration of a way forward in terms of CIL.

- Five Year Housing Land Supply – The work on this was nearly completed and publication was anticipated in early October.
- The NPPF and subsequent Planning Policy Guidance had come out and changed the way that the Housing Land Supply was calculated and impacted on the way the Council's was calculated. Members were also informed that there was now a housing delivery test which the Five Year Housing Land Supply fed into and all of these changes had been reported to the Planning and Licensing Committee.
- The General Data Protection Regulations had been implemented, along with a lot of governance arrangements and the report reflected the position at the end of June 2018. Since then reporting mechanisms, new ways of working etc. had been in place for a few months.

RESOLVED

- (i) that the information set out in the report and the Corporate Risk Register 2018 / 19, as agreed by the Corporate Leadership Team, be noted;
- (ii) that in undertaking this review Members were assured that corporate risk was being managed effectively.

473. ACTION PLAN OF FLOOD MITIGATION PROJECTS ACROSS THE DISTRICT

The Committee considered the report of the Director of Strategy, Performance and Governance providing a detailed action plan (attached at Appendix 1 to the report) on the various flood management projects being undertaken across the District, including key strategic areas, by partner agencies.

It was noted that the Council, alongside other partners, was a Risk Management Authority as designated by the Flood and Water Management Act 2010 (FWMA). The report set out the Council's duty under the FWMA.

The Council's framework established to monitor the action plan was detailed in the report and Members advised that along with effective monitoring the framework would ensure that the Maldon District remained a priority.

Members were advised that in light of the Action Plan being developed and the process which had been put in place to review that plan it was suggested that consideration be given to reducing the risk score.

In response to a number of comments and questions from Members, the following information was provided in relation to the Action Plan (Appendix 1):

- It was acknowledged that the information within the Action Plan was out of date and required updating.
- Analysis of flood risk on the Causeway was now funded and being undertaken;
- The action plan included Essex County Council (ECC) and also took on board land owner issues;
- The Environment Agency oversaw the Action Plan but it was often the responsibility of land owners to maintain defences and waterways. The Director of Strategy, Performance and Governance acknowledged that this needed to be incorporated into the Action Plan.
- The Action Plan would be reviewed at the next six monthly operational meeting with partners and all comments raised by Members would be taken on board accordingly. A report would then be brought back to this Committee following this meeting.
- The Director of Strategy, Performance and Governance advised that the Crouch Valley Line should be added to the Action Plan. It was however necessary to be clear that the Action Plan did not just identify the activity of projects taking place but also those that needed to be highlighted and the mechanism being put in place to bring them forward as well as picking up on the activity. It was noted that the Council had facilitated discussions including getting the County Council (as the planning authority for waste) to make sure that applications were addressed and dealt with as a clear way forward.
- It was agreed that the Action Plan should reflect any facilitation especially in relation to land owners and business units as these were key areas which would affect the authority.
- Involvement of private partners should also be included within the Action Plan.
- The Director of Strategy, Performance and Governance agreed to ensure that the Action Plan was clear in terms of outcomes as well as detailing schemes and projects.

The Chairman asked the Director of Strategy, Performance and Governance to update the Action Plan and bring it to the next meeting of the Committee.

RESOLVED that the Action Plan on the various flood management projects being undertaken across the District, including key strategic areas, by partner agencies be updated and brought back to a future meeting of this Committee.

474. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act, and that this satisfies the public interest test.

475. ELECTION SERVICES

The Committee considered the report of the Director of Resources presenting an update in respect of the Internal Audit progress report (July 2018) – Elections Improvement Plan.

The report reminded Members of the purpose of the Internal Audit review and the areas it identified for action. It was noted that all of the areas for action had been addressed and the report and its related appendices provided an update in respect of this.

In response to comments from Members the Director of Resources provided a detailed explanation of the changes that had been made to processes and how these had been implemented. It was noted that further improvements had been made in preparation for the May 2019 elections and these would build added resilience for the Council.

RESOLVED that the contents of the report be noted.

There being no further items of business the Chairman closed the meeting at 4.38 pm.

P G L ELLIOTT
CHAIRMAN