



**MINUTES of
AUDIT COMMITTEE
4 APRIL 2019**

PRESENT

Chairman	Councillor P G L Elliott
Vice-Chairman	Councillor E L Bamford
Councillors	A S Fluker, B E Harker, A K M St. Joseph and Mrs M E Thompson

2019. CHAIRMAN'S NOTICES

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

2020. APOLOGIES FOR ABSENCE AND SUBSTITUTION

Apologies for absence were received from Councillors M S Heard and Miss M R Lewis.

Councillor B S Beale was attending as a substitute for Councillor M S Heard.

2021. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 7 February 2019 be approved and confirmed.

2022. DISCLOSURE OF INTEREST

Councillor B E Harker declared an interest in Agenda Item 6 – External Audit – Planning Report to 31 March 2019, as he was in receipt of a Local Government pension.

2023. QUARTERLY REVIEW OF CORPORATE RISK

The Committee considered the report of the Director of Strategy, Performance and Governance providing independent assurance to the Council on the adequacy of the risk management framework. It was noted that the Risk Management Policy required the Audit Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks are being managed effectively.

The Director of Resources introduced the report which provided an update on the position as at the end of Quarter 3 (31 December 2018) on the corporate risks included

within the Corporate Risk Register 2018/19. She reported that there had been little change since the last register and that those risks requiring updates had been actioned.

It was noted that the Corporate Leadership Team will continue to work on updates as required, in anticipation of the 31 March reporting period.

RESOLVED

- (i) that Members reviewed and commented on the information as set out in appendix 1;
- (ii) that Members were assured that corporate risk was being managed effectively.

2024. EXTERNAL AUDIT - AUDIT PLANNING REPORT TO 31 MARCH 2019

The Committee considered the report of the Director of Resources informing the Committee of the External Audit work completed to 31 March 2019 attached at appendix 1, produced by Deloitte LLP and designed to help the Council meet its governance responsibilities in relation to audit.

Mr Craig Wisdom, Lead Audit Partner, took the Committee through the report. He highlighted the key points namely the work on risk assessment, taking into account pertinent documents, minutes of meetings, discussions with officers and also a review of the previous assessors' audit files. He assured the Committee that the scope was in accordance with the code of audit practice consistent with what had taken place in previous years.

He informed the Committee that the report focussed on three main areas of financial statement as follows: - Management override of controls; Pension Liability and Valuation of Property, Plant and Equipment and Investment Property together with the arrangements for value for money (VFM). This assessment was ongoing and as it stands no significant risks had been identified. In conclusion he reminded the Committee that he was independent of the Council as required by audit rules.

A question was raised regarding potential risks around Brexit. Mr Wisdom, in response, said that he had not identified anything significant in relation to the Council. The Director of Resources reported that the Council had been looking at Brexit risks in detail over the past twelve months, this work had highlighted high risk areas as provision of domiciliary care and waste management. Given that this Council does not manage domiciliary care and that the waste contractor SUEZ no longer employs predominantly EU workers, both those risks were mitigated. She said the main potential risk would be around an increase in prices which could adversely impact the budget. General risks around managing a further election, referendum and /or a general election were also serious considerations.

RESOLVED that Members both reviewed and commented on the External Audit Planning report.

2025. INTERNAL AUDIT - PROGRESS REPORT (MARCH 2019)

The Committee considered the report of the Director of Resources on the completed audits together with the assurance levels, audits that are currently a work in progress and any deviances to, or slippage, on the Internal Audit Plan 2018/19.

Mr Greg Rubins, Head of Internal Audit, took the Committee through the report. He advised that the Fraud Risk Assessment report was now complete and would be presented at the next committee meeting. This was an advisory piece of work only.

The 1918/19 plan had two reports completed, namely the Capital Project Management and IT Transformation. The Capital Project Management report had an assurance level of substantial for design and moderate for effectiveness. The IT Transformation report had an assurance level of substantial for both design and effectiveness, a positive result in both areas.

He reported that there was overall satisfaction with processes, plans, practice and management response to recommendations.

RESOLVED that Members noted and commented on the progress against the 2018/19 Internal Audit Plan and the positive outcome from the completed audits.

2026. INTERNAL AUDIT - FOLLOW-UP OF RECOMMENDATIONS REPORT AS AT 28 FEBRUARY 2019

The Committee considered the report of the Director of Resources advising on progress with regard to recommendations raised by Internal Audit for years 2015/16, 2016/17, 2017/18 and 2018/19.

Mr Greg Rubins, Head of Internal Audit, took the Committee through the report. He advised that there were 69 recommendations in total, 48 had been signed off leaving 21 outstanding. Of those outstanding 7 related to the Council's Future model and would be dealt with as part of that programme. He reported that good progress had been made, officer responses were timely and remaining recommendations were on track for completion.

It was noted that all audit reports presented were very clear and helpful.

RESOLVED that Members noted the progress to date against all recommendations.

2027. INTERNAL AUDIT - INDICATIVE INTERNAL AUDIT PLAN - DRAFT INTERNAL AUDIT STRATEGIC PLAN 2018/21 & 2020 OPERATIONAL PLAN

The Committee considered the report of the Director of Resources to seek approval for Internal Audit's Draft Internal Audit Strategic Plan 2018/21 and the 2019/20 Operational Plan attached as Appendix 1 to this report.

Mr Greg Rubins introduced the report advising members that the information had been collated through work with the Director of Resources and relevant officers. The key subject areas were highlighted as follows: -Financial Systems, Risk and Counter Fraud.

He then drew Members attention to a number of specific audits e.g. Corporate Governance, GDPR, Management Property etc. In conclusion he said he felt that the plan content incorporated all the risks facing the Council and Members concurred with his assessment.

RESOLVED that Members approved the Indicative Internal Audit Plan covering the Draft Internal Audit Strategic Plan 2018/21 and the 2019/20 Operational Plan.

2028. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRMAN OF THE COMMITTEE DECIDES ARE URGENT

There were none.

There being no further items of business the Chairman closed the meeting at 3.24 pm.

P G L ELLIOTT
CHAIRMAN