



**MINUTES of
AUDIT COMMITTEE
29 AUGUST 2019**

PRESENT

Chairman	Councillor E L Bamford
Vice-Chairman	Councillor B E Harker
Councillors	Mrs P A Channer, CC, A S Fluker, J V Keyes, C Morris and S P Nunn
In attendance	Councillors M W Helm and W Stamp

1. CHAIRMAN'S NOTICES

The Chairman opened the meeting and advised Members that the Head of Internal Audit, Mr Greg Rubins had been delayed. She said that should he not have arrived by Item 5- Internal Audit Report Update she would adjourn the meeting.

2. APOLOGIES FOR ABSENCE

No apologies were received at the meeting.

However, subsequent to the meeting, it transpired that Councillor N J Skeens had sent apologies for the meeting and that Councillor W Stamp would attend on his behalf.

3. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 13 June 2019 be approved and confirmed.

4. DISCLOSURE OF INTEREST

Councillor Mrs P A Channer, CC, declared a non-pecuniary interest in Agenda Item 5 – Internal Audit Update, Appendix 4 as a member of Essex County Council.

5. ANY OTHER ITEMS OF BUSINESS THE CHAIRMAN DECIDES ARE URGENT

As the Head of Internal Audit had not yet arrived the Chairman advised that, instead of adjourning the meeting, the Committee would take Agenda Item 6 next – Any other items of business the Chairman decides are urgent.

The Committee received an update from the Interim Section 151 Officer on the current position regarding the Statement of Accounts.

He advised the Committee that most of the work was completed and the final version of the Statement of Accounts was being drawn up for forwarding to the External Auditor early week commencing 2 September 2019. A meeting was scheduled for Friday 6 September to meet with the Audit Manager and the Partner from Deloitte to go through both the final and draft versions to track all and verify that changes were in accordance with previous discussions.

Addressing the financial figures within the accounts, the Interim Section 151 Officer reported that the Audit Manager had no concerns regarding the financial figures as all were in order from the financial year 2018/19. The only outstanding issue was in relation to some assumptions on property valuations. The external auditor's property specialist and the district valuer were discussing the matter. The Chairman commented that this exact issue was raised last year.

In conclusion the Interim Section 151 Officer said that once this issue was resolved the Statement of Accounts should be completed in time for the September meeting of the Audit Committee. If not, the Statement of Accounts would be received at the October meeting of the Performance, Governance and Audit Committee.

6. INTERNAL AUDIT UPDATE REPORT

The Committee considered the report of the Interim Section 151 Officer providing a progress update on work completed and any deviances to, or slippage, on the Internal Audit Plan 2019/20 and implementation of recommendations raised by Internal Audit. In all there were five reports to consider, two within the Progress Report together with three reports presented in full.

The Head of Internal Audit, Greg Rubins, presented this item and reported the following:-

Appendix 1 Progress Report - GDPR Compliance report

The GDPR Compliance report was very positive with substantial assurance on design of processes and moderate assurance on effectiveness. The controls, policies and procedures in place were all robust with appropriate action being taken as required, underpinned by a sound training plan. Going forward the focus should be placed on continuing robust compliance both within the organisation and externally, with third party contractors etc.

Appendix 1 Progress Report - Local development Plan (LDP) report

The Local Development Plan report was also positive with moderate assurance for both design and effectiveness. The good practice of having a clear risk register around the achievement of the LDP was noted. Going forward the focus should include a formal process on how to monitor what the Council planned to achieve through the LDP, together with clear deadlines for actions on planning matters. Overall, the response rate from Officers was good and incorporated a clear action plan.

In response to a query on the LDP report around S106 the Auditor advised that this was outside the scope of this report. However, should Members be concerned going forward, they would audit the area of Section 106 separately.

Appendix 2 - Building Control Audit report

This report was limited on the design of controls and moderate in effectiveness. It was noted that the team was going through change with vacancies etc. but despite that were progressing well. Going forward, the focus should be on putting in place policies and procedures. There was now a clear action plan which the auditors would follow-up on and the new system being put in place would address issues of concern around lack of documentation.

Appendix 3 - Risk Management report

This report was before the Committee as an advisory benchmarking exercise only, which the Audit Committee had an interest in. It was noted that the Council scored slightly below average compared to other like authorities. The new systems being put in place should raise/balance that performance. Going forward the focus within service areas should be on action plans, key performance indicators and linking risks to corporate objectives. It was noted that Officers were considering all these areas and looking at risk processes and new systems. These areas would be reviewed toward the end of the year to monitor outcomes from the impact of new processes and systems.

In response to a query on the Risk Management report regarding risk assessments, the Director of Strategy, Performance and Governance informed the Committee that the Council was looking to move from a 4x4 risk matrix to a 5x5 matrix. This would provide more granularity, resulting in a better understanding when assessing the risks and how to address them.

The Interim Section 151 Officer added that he would be taking forward the brief regarding support in the area of fraud risk management. It was noted that this resource would provide more resilience around all areas of risk during this time of transformation within the Council.

Appendix 4 – Follow-up of Recommendations report

The Follow-up of Recommendations report contained three new recommendations, one had been completed and two were in progress. It was noted that any delays on Officer response were due to changes in personnel and were being addressed.

The Chairman put the recommendations to the committee and they were agreed.

RESOLVED

- (i) that the progress against the 2019/20 Internal Audit Plan (appendix 1) was reviewed and commented on;
- (ii) that the final Building Control report – July 2019 (appendix 2) was reviewed and commented on;
- (iii) that the final Risk Management report – July 2019 (appendix 3) was reviewed and commented on.;
- (iv) that the Internal Audit – Follow-Up of Recommendations report (appendix 4) was reviewed and commented on.

There being no further items of business the Chairman closed the meeting at 3.40 pm.

E L BAMFORD
CHAIRMAN