

Minutes

Audit Committee Wednesday, 5th July, 2017

Attendance

Cllr McCheyne (Chair)	Cllr Hirst
Cllr Ms Rowlands (Vice-Chair)	Cllr Keeble
Cllr Chilvers	Cllr Reed
Cllr Mrs Fulcher	Cllr Russell

Apologies

Cllr Mrs Hones
Substitute Present

Cllr Mrs Middlehurst (substituting for Cllr Mrs Hones)

Also Present

Cllr Bridge
Cllr Mrs Pound

Officers Present

Andrew Barnes	-	BDO, Internal Audit
John Chance	-	Finance Director (Section 151 Officer)
Zoey Foakes	-	Governance & Member Support Officer
Greg Rubins	-	BDO, Internal Audit
Jacqueline Mellaerts	Van	-
Sue White	-	Financial Services Manager
	-	Risk and Insurance Officer

61. Apologies for Absence

Apologies were received from Cllr Mrs Hones with Cllr Mrs Middlehurst as a substitute.

62. Minutes of the Previous Meeting

Cllr Chilvers questioned what method of recording was taking place and if it was to be made public. It was noted that audio recording were taking place

and the minutes would be published online. Cllr Chilvers believed that other methods of recording should be used to publish online other than webcasting.

The minutes of the previous Audit and Scrutiny Committee meeting held on 13 March 2017 were approved as a true record.

63. Draft Statement of Accounts (including AGS)

The report presented the Council's Statement of Accounts for 2016/17. The accounts were presented to the External Auditors (Ernst & Young) on 23 June 2017 and signed by the Finance Director.

The Committee formally approved the financial statements after the completion of the external auditors.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Hirst to approve the recommendations in the report with the addition of the following words:

2.2: Delegated authority was given to the Finance Director in consultation with the Chair of Audit Committee to agree any changes to the Draft Statement of Accounts 2016/17 by external audit and sign the final audited statements to be approved by the committee.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

2.1 The Draft Statement of Accounts for 2016/17 and Annual Governance Statement were reviewed.

2.2 Delegated authority was given to the Finance Director in consultation with the Chair of Audit Committee to agree any changes to the Draft Statement of Accounts 2016/17 by external audit and sign the final audited statements to be approved by the committee.

Reason for recommendations

A system of sound financial control and governance arrangements underpins all of the services and priorities of the Council.

64. Internal Audit Progress Report 2016/17

The report detailed the progress to date against the 2016/17 internal audit plan that was agreed by the Audit and Scrutiny Committee in March 2016.

The following reports had been completed since the last Committee and a summary of the findings were included in the progress report:

- Local Development Plan (moderate assurance)
- Revenues and Benefits (limited assurance)
- Housing (limited assurance)

A discussion took place regarding compliance checks on housing properties, and Cllr Chilvers spoke about a document that was shared at the Community, Health and Housing Committee on 19 June 2017 that she wanted to be made available for Councillors and residents. Cllr Chilvers believed that a cross party group should be set up to look and learn from the recent Grenfell Tower incident. Cllr Pound was present and confirmed that a working party had been put in situ as part of the Corporate Projects Scrutiny Committee to consider emergency response and for scrutiny to take place of what was in place.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Rowlands to approve the recommendation in the report with the addition of the following words:

The Committee recovered and notes the contents of the reports *and review of action plan at the next committee meeting.*

A vote was taken by a show of hands and it was **RESOLVED UNANIMOSLY** that:

The Committee recovered and notes the contents of the reports *and review of action plan at the next committee meeting.*

Reason for Recommendation

To monitor the progress of work against the internal audit plan.

65. Internal Audit Annual Report

The report was the Internal Audit Annual Report 2016/17. The report gave a summary of the work performed for the 2016/17 Annual Audit Plan.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Rowlands to approve the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

The Committee approved the Internal Audit annual Report for 2016/17.

Reason for recommendation

To approve the Internal Audit Annual Report for 2016/17.

66. Updated Internal Audit Charter

The Charter was a requirement of the Public Sector Internal Audit Standards (PSIAS). It formally defined internal audits mission, purpose, authority and responsibility. It also established internal auditors position within Brentwood Borough Council and defined the scope of internal audit activities.

The PSIAS were revised with effect from April 2017, and the changes had been reflected in the updated charter.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Rowlands to approve the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

The committee note and approve the Updated Internal Audit Charter for 2017/18.

Reason for recommendation

The Charter was a requirements of the Public Sector Internal Audit Standards (PSIAS). The charter had been updated to reflect changes to the PSIAS.

67. Strategic & Operational Risk Review

The report updated Members of the Audit Committee on the status of the Council's 2017/18 Strategic Risk Register and the progress being made across services in delivering Operational Risk registers.

Cllr Hirst noted that with regards to Housing, compliance checks for contractors ought to be on the risk register in light of recent events.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Rowlands to approve the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED** that:

- 1. Members agree amendments to the Strategic Risk Register and that the risk scores recorded for each risk accurately represents the current status of each risk.**
- 2. Members agree the risk exposure changes to the Operational Risks.**

Reason for recommendations

Risk Management continued to be embedded quarterly within the Senior Management Team reports, where Service Heads discuss the top level risks for their service areas to ensure that the risks were updated to reflect the ongoing changes.

In addition the Risk & Insurance Officer would continue to work with risk managers to maintain the good progress to date and further develop a consultant application of risk management considerations across all operations of the Council.

68. Urgent Business

There were no items of urgent business to discuss and the meeting concluded at 20:00.