

# Minutes

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## **Audit and Scrutiny Committee Wednesday, 9th October, 2019**

### **Attendance**

Cllr Nolan (Chair)	Cllr Haigh
Cllr Tanner (Vice-Chair)	Cllr Hirst
Cllr Dr Barrett	Cllr Naylor
Cllr Chilvers	Cllr Parker

### **Apologies**

Cllr Mrs McKinlay

### **Substitute Present**

### **Also Present**

### **Officers Present**

Steve Summers	-	Interim Chief Executive
Jacqueline Van Mellaerts	-	Director of Corporate Resources
Zoe Borman	-	Governance and Member Support Officer
Janine Combrinck	-	Internal Audit, BDO
Neil Harris	-	External Audit, E&Y

### **237. Apologies for Absence**

Apologies were received from Cllr Mrs McKinlay and there was no substitute.

### **238. Minutes of the previous meeting**

Cllr Nolan pointed out that the Minutes of the previous meeting incorrectly stated that he was a substitute for Cllr Chilvers, when it should have read Cllr S Cloke substituting for Cllr Chilvers.

Once corrected, the Minutes were signed as a true record.

Cllr Naylor requested details of the transformation services breakdown to all Members of the Committee.

### **239. External Audit Update**

The Draft unaudited Statement of Accounts was presented to Committee on 29<sup>th</sup> July 2019. It was explained that the External Auditors Ernst & Young LLP, would not be able to start their audit by their target deadline of 31<sup>st</sup> July 2019. It was expected that the Audit would be complete and the Audit Results report would be presented at the next Committee.

Early August, Director of Corporate Resources and the Associate Partner of Ernst & Young LLP were in discussions regarding the resources of the Audit and it has been agreed that the audit would start on 1<sup>st</sup> October for approximately 3 weeks.

The Council has currently published, by its statutory deadline of 31<sup>st</sup> July, an unaudited Statement of Accounts and is not accompanied by an opinion, along with a notice explaining the delay of the audit. The Council will publish the audit opinion, when it is practically able to do so, to meet legislation requirements, after receiving the auditor's final findings from the audit.

Public Sector Audit Appointments (PSAA) figures show that 40% of audit opinions have missed the target date of 31 July. Officers wish to write to the PSAA to express our concerns regarding the Council's position with the 2018/19 Audit. Including the delay of the audit for Brentwood, the impact on resources it will have and any potential impact on future years audits.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendations in the report subject to the following amendment to R2

**R2. Give delegated Authority to the Director of Corporate Resource in consultation with the Chair and Vice Chair, to make representations to the PSAA of the Council's position with regards to the 2018/19 Audit, and the recently approved Government review with regards to local authority accounts and the external audit role.**

Mr Neil Harris was present at the meeting and summarised the report. Mr Harris encouraged the Council to take part in the upcoming Government Review with regards local authority accounts particularly in light of what has taken place this year with regards to the late audit.

Mr Harris is confident that the audit will be completed in time for the next Audit and Scrutiny Committee in January and would be updating the Director of Resources on a regular basis. However, if any major problems were encountered prior to that, Members felt that an extraordinary meeting of this Committee should convene prior to January.

Following a full discussion a vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY:**

**1. To note this report and the revised Audit timetable.**

**2. To give delegated Authority to the Director of Corporate Resource in consultation with the Chair and Vice Chair, to make representations to the PSAA of the Council's position with regards to the 2018/19 Audit, and the recently approved Government review with regards to local authority accounts and the external audit role.**

### **Reason for Recommendations**

To update the Committee regarding the status of the External Audit of the Statement of Accounts 2018/19.

## **240. Internal Audit Progress Report**

This report was intended to inform the Audit and Scrutiny Committee of progress made against the 2019/20 internal audit plan and an update following completion of our 2018/19 internal audit work programme.

The following reports have been finalised since the last Committee:

- Workforce Strategy and organisation structure (2018/19) (Substantial/Moderate)
- Housing Department (2018/19) N/A
- Human Resources Recruitment (2019/20) (Substantial/Substantial)
- Trade Waste (2019/20) (Moderate/Substantial)
- Food Safety (2019/20) (Substantial/Moderate)

The executive summaries of the above audits were included in Appendix A – Progress report and the full Housing Department Report is included at Appendix II to the progress report. The full reports for all the audits are available on request.

Cllr Nolan informed the committee this was an information only item, and invited a full discussion.

Ms Janine Combrinck was present at the meeting and summarised the report.

Members sought confirmation from officers that the 30<sup>th</sup> October deadline for implementation of high risk recommendation in relation to the Housing Report would be met. Mr Summers gave his assurance of this.

## 241. Risk Management

The report updates members of the Audit & Scrutiny Committee on the status of the Council's 2019 Strategic Risk Register and high-level Operational Risks.

Two risks on the Strategic Risk Register have been decreased all other risk scores have remained the same. One risk has increased, and one risk has decreased of the high level Operational Risks, other risk scores have remained the same.

Officers have carried out an EU Exit risk assessment which is included in Appendix C.

Members raised concerns over the lateness of the report and asked that it brought back to the next meeting. As this is a standing item on the Agenda it would be brought back to the next meeting.

Cllr Nolan informed the committee this was an information only item, and asked Members to note the report.

## 242. Formal Complaints & Performance Indicator Working Group

This report submits the report and recommendations of the Formal Complaints and Performance Indicators Working Group for consideration by the Audit & Scrutiny Committee.

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

Officers were asked to explore whether complaints could be made by Members on behalf of residents. Steve Summers agreed to investigate this.

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

1. To note the Formal Complaints and Performance Indicators Working Group report, as attached at Appendix A, and agree the recommendations contained within it.

### **Reasons for Recommendation**

To ensure the Council provides modern and effective customer services.

## 243. Scrutiny Work Programme

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. This report

provides an update of the current scrutiny work programme and is set out in Appendix A.

In addition, legislation requires that an Annual report is made to the Committee on the work of the Community Safety Partnership. This report is normally made at the March committee each year.

At the Audit and Scrutiny Committee on the 18<sup>th</sup> June 2019, Min.51 refers, it was agreed that a request form be sent for scrutiny matters be made available to all members immediately following the meetings. This action was undertaken and to date no responses have been received.

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

Cllr Naylor requested whether he could act as a substitute on the LDP Working Group. Officers would check if there was a vacancy and feedback to Members.

Members raised concerns regarding the opportunity for debate in the Chamber and although this would fall under the Constitution Working Group remit, requested if this could be explored in this forum as the CWG had not met for some time. Mr Summers advised the CWG was due to meet in the near future but he would liaise with the Chair of CWG and would advise Members accordingly.

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

1. That the Committee considers and agrees the 2019/20 Scrutiny Work Programme as set out in Appendix A.

#### **Reason for Recommendation**

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny Work Programme at each meeting of the Committee.

#### **244. Urgent Business**

There were no items of urgent business.

The meeting concluded at 20.20