

Committee(s): Ordinary Council	Date: 22 nd January 2020
Subject: Chairs Report for Audit and Scrutiny	Wards Affected: All
Committee Chair: Cllr Charles Nolan	
Report of: Jacqueline Van Mellearts, Director of Corporate Resources	Public
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There has been one Audit and Scrutiny Committee since the last Ordinary Council.

External Audit Update

The Draft unaudited Statement of Accounts was presented to Committee on 29th 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 31st July 2019.

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 was agreed that the audit would start on 1st October for approximately 3 weeks.

The Council has currently published, by its deadline of 31st July, an unaudited Statement of Accounts, 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.

Mr Neil Harris was present at the meeting and summarised the report. Mr Harris was 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 Corporate Resources on a regular basis. Members received an update in January from the Director of Corporate Resources regarding the Audit timetable and confirming the Audit fieldwork was now complete. The Audit Results Report has now been received from External Audit which will be presented to members at the next Audit and Scrutiny Committee

Internal Audit Progress Report

One report have been presented by BDO our Internal Auditors since the last Ordinary Council and they were intended to inform the Audit and Scrutiny Committee of the progress made against the approved internal audit plan for 2018/19 and 2019/20, which was approved by the Committee in March 2018 and March 2019 respectively.

The following reports for 2018/19 had been finalised and a summary of the findings were included in the progress report, which completed the 2018/19 programme.

- Workforce Strategy and Organisational Structure (2018/19). (Substantial/Moderate)
- Housing Department Audit 2018/19 N/A

The following reports for 2019/20 had been finalised and a summary of the findings were included in the progress report:

- Human Resources Recruitment (Substantial/Substantial)
- Trade Waste (Moderate/Substantial)
- Food Safety (Substantial/Moderate)

The following report had been issued in draft and was awaiting management comment. This has since been finalised and will be reported at the next meeting.

- Housing Benefits

Work was underway on the Leisure Services report. This has since been finalised and will be reported at the next meeting.

Internal Audit were also in the process of arranging risk management training and counter fraud awareness work. The report also updated members on minor timing changes of the 2019/20 Plan.

A summary of outstanding recommendations from previous audits as at 26 September 2019 were presented to the Committee. Of the total 109 recommendations covering years 2016/17 to 2019/20, 93 were due to be implemented and 67 (61%) had been completed and 20 (17%) were in progress and 3 (4%) are categorised as overdue.

Senior Managers and Officers have since spent considerable time to review the outstanding recommendations alongside Internal Audit and the revised position is due to be reported at the next Committee.

Risk Management Update

Members were updated on the status of the Council's Strategic Risk Register and High Operational Risks.

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

An EU Exit risk assessment had been carried out by Senior management and was reported to the Committee.

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

Performance Indicators and Formal Complaints

The Committee reviewed the working groups report on the Quarter 1 data.

A working group took place on the 4th December to discuss Quarter 2's data. A report will be presented at the next Audit and Scrutiny Committee on 28th January 2020.

Scrutiny Work Programme 2019/20

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

The following items continued to be reported to the committee as part of its Scrutiny Work Programme.

- Local Development Plan
- Performance Indicators and Formal Complaints
- Community Safety Partnership

At the start of the municipal year a request form is circulated to members if they wish to add anything to the work programme.

No requests have been received and nothing further has been added to the work programme.