

<b>Committee(s):</b> Ordinary Council	<b>Date:</b> 16 <sup>th</sup> September 2020
<b>Subject:</b> Chairs report for Audit and Scrutiny Committee	<b>Wards Affected:</b> All
<b>Committee Chair:</b> Cllr Charles Nolan	
<b>Report of:</b> Jacqueline Van Mellaerts, Director of Corporate Resources	<b>FOR INFORMATION</b>

## **Statement of Accounts 2019/20 & Annual Governance Statement**

In April MHCLG published The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 404/2020). These extend the statutory audit deadline for 2019/20 for all local public authorities in England, apart from health service bodies.

The draft accounts to be approved, were extended from 30<sup>th</sup> May to 31 August 2020, however they may be approved earlier. A report was taken to Audit & Scrutiny on 28<sup>th</sup> July to approve Brentwood's Unaudited Statement of Accounts 2019/20 and the Annual Governance Statement by the council's revised deadline.

For local authorities the publication date for audited accounts moved from 31 July 2020 to 30 November 2020. The Council's external auditors EY LLP are scheduled to commence the audit on 21<sup>st</sup> September and complete on 31<sup>st</sup> October 2020.

To provide local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June has been removed. Instead they must commence the public inspection period on or before the first working day of September 2020 and should give notice of the period planned.

Public Inspection notices and the Full Statement of Account 2019/20 have been published on the Council's website.

## **Internal Audit & Annual Opinion**

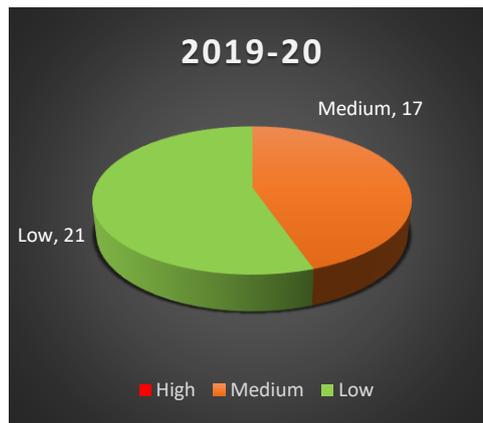
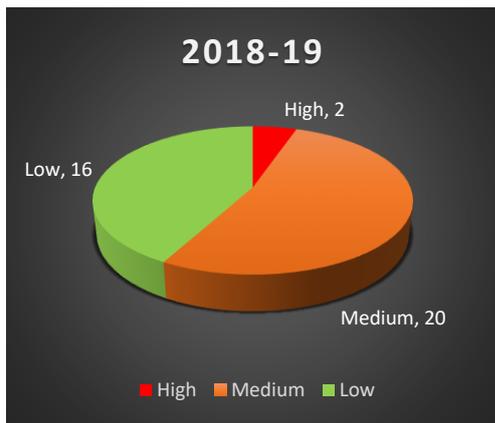
The following reports have been finalised since the last committee and were reported to Audit and Scrutiny Committee on 28<sup>th</sup> July 2020

- Treasury Management (2019/20) (Substantial/Moderate)
- Financial Planning and Monitoring (Substantial/Substantial)
- Housing Repairs and Maintenance (Substantial/Moderate)
- Main Financial Systems (Moderate/Moderate)
- Risk management and Governance (Substantial/Moderate)

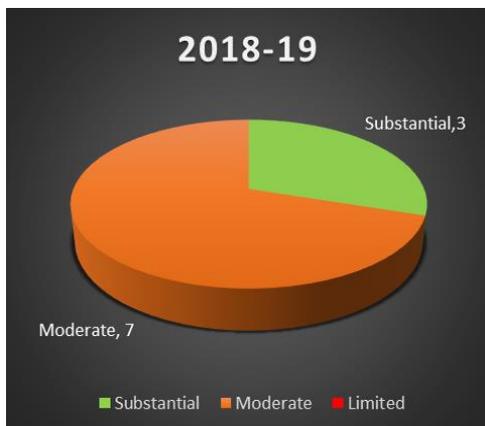
The Internal Annual Audit opinion was also reported and has been included within the Annual Governance Statement. The overall opinion was of a moderate assurance that there is sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. Internal Auditors BDO, were pleased to note improvement and the Council has done well to enhance controls in a challenging financial environment and reported this is the best position they have seen from the Council in the last 6 years.

A summary on the internal Audit plan for 2019/20 is shown below.

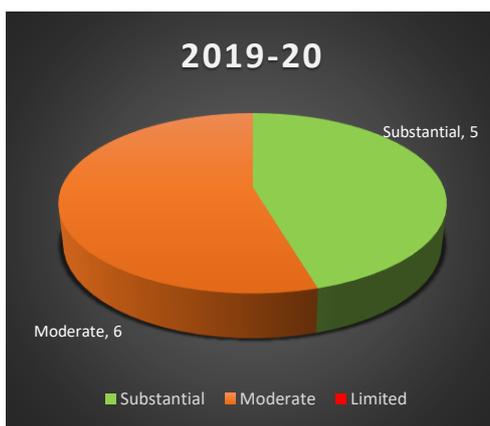
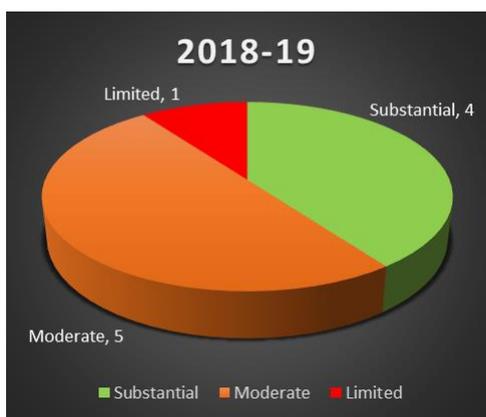
### Recommendations and Significance



### Control Design



### Operational Effectiveness



## Outturn 2019/20

The Outturn 2019/20 was reported to Audit and Scrutiny on 28<sup>th</sup> July. A high Level summary is outlined below. The full report can be found on the Council's website.

### General Fund position - Breakeven

Corporate Strategy	Forecasted Outturn (PRED Jan)	Outturn 2019/20	Variance
Corporate Strategy	8,583	8,467	(116)
Non Service Expenditure	448	620	172
Reserve Transfers	(374)	(417)	(43)
Funding	(8,444)	(8,670)	(226)
<b>Total</b>	<b>213</b>	<b>0</b>	<b>(213)</b>

### HRA Position - £830k deficit

HRA	Forecasted Outturn (PRED Jan)	Outturn	Variance
Total Service Expenditure	9,568	9,936	368
Total Service Income	(12,889)	(12,927)	(38)
Non Service Expenditure	3,738	3,821	83
Reserves Transfers	0	0	0
<b>Total</b>	<b>417</b>	<b>830</b>	<b>413</b>

## Working Balances

General Fund	Brought forward	Transfers out	Carry Forward
Earmarked Reserves	4,821	(417)	4,404
General reserves	3,117	0	3,117

HRA	Brought forward	Transfers out	Carry Forward
Earmarked Reserves	2,400	0	2,400
General reserves	1,901	(830)	1,071

## Risk Management

The Committee regularly review the councils strategic and operational Risk Registers. The committee noted One risk on the Strategic Risk Register had been increased and one risk removed. All other risk scores remained the same.

Of the high-level operational risks, one score had decreased. The other nine risks scores remained the same from the last Committee in March.

## Scrutiny Work Programme

An update was received from the Local Development Plan Working Group following the most recent meeting which took place on 16 June 2020.

The meeting followed receipt of initial questions from the Planning Inspectors appointed to oversee the examination of the Local Plan. An opportunity was taken at the working group to go through each of the themes raised by the inspectors, including the underlying initial questions. Officers presented an overview and the timescales by which responses would be provided. Notes and actions from the meeting were included within the report. The working group also reviewed and updated the terms of reference.

The formal complaints and performance indicator working group also met on 9<sup>th</sup> June 2020 to discuss quarter four's performance data. A report was received to note an overall increase in formal complaints received for 2019/20, which will continued to be monitored to identify common themes and trends.

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

At a previous Audit and Scrutiny meeting a member requested that a review of the South Essex Partnership (SEPP) arrangements to be added the programme. It was

agreed that it would be appropriate initially for a presentation to be made by SEPP to all member regarding their scope and working arrangements it is expected that this will take place at the next all member briefing.

The chair also suggested that the committee consider reviewing the first year of the Councils' Housing repairs and maintenance contract with axis. The appropriate form will be completed to approve the scope of the review at the next meeting.