

Minutes

Audit and Scrutiny Committee Tuesday, 24th November, 2020

Membership/Attendance

Cllr Nolan (Chair)	Cllr Lewis
Cllr Tanner (Vice-Chair)	Cllr Mrs McKinlay
Cllr Dr Barrett	Cllr Naylor
Cllr Mrs Fulcher	Cllr Ms Sanders
Cllr Hirst	

Substitute Present

Also Present

Cllr Hossack

Officers Present

Steve Summers	-	Chief Operating Officer
Jacqueline Van Mellaerts	-	Director of Corporate Resources
Jonathan Stephenson	-	Chief Executive
Alistair Greer	-	Principal Accountant (Financial Reporting)
Tracey Lilley	-	Director of Housing & Enforcement
Greg Campbell	-	Director of Environment
Amanda Julian	-	Director of Law and Governance and Monitoring Officer
Janine Combrinck	-	Internal Audit, BDO
Neil Harris	-	External Audit, E&Y
Greg Rubins	-	BDO, Internal Audit

580. Apologies for Absence

No apologies had been received.

581. Minutes of the previous meeting

The Minutes of the Audit and Scrutiny meeting held on 28th July 2020 were approved as a true record.

582. Audit Results of Statement of Accounts 2019-20

The Council's External Auditors, Ernst & Young LLP have substantially completed their audit of the Council's Statement of Accounts for 2019/20. This report presented their conclusions and a revised draft of the Financial Statements.

External Audit propose to issue an unqualified audit opinion for the Statement of Accounts 2019/20. No opinion on the value for money conclusion has been issued to date as work is still in progress.

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

Both Mrs Van Mellaerts, Director of Corporate Resource and Mr Neil Harris, External Auditor, were present at the meeting and summarised the report. A full discussion on the report by the committee followed. Mrs Van Mellaerts and Mr Harris thanked the staff involved for their hard work during these unprecedented and difficult times.

Members raised concerns regarding the outstanding element on the Authority's documented assessment and disclosure on its judgements associated with going concern over twelve months. Officers confirmed that this work is ongoing. Although the Council are facing financial pressures due to Covid-19, the MTFS will confirm the Council as a going concern.

A vote was taken and it was **RESOLVED UNANIMOUSLY** that Members:

- 1. Consider the Audit Results Report 2019/20 in Appendix A and note the conclusions contained in it.**
- 2. Consider the Letter of Representation in Appendix B and delegate authority to the Section 151 Officer in consultation with the Chair of Audit & Scrutiny to approve and sign the letter upon conclusion of the Audit.**
- 3. Delegate to the Section 151 Officer in consultation with the Chair of Audit & Scrutiny the final approval of the Statement of Accounts for 2019/20, on completion of the final elements of the audit.**

Reason for Recommendation

To enable the Council to conclude the Statement of Accounts process for 2019/20, which has a statutory deadline of 30th November 2020.

583. Internal Audit Progress Report

This report intended to inform the Audit and Scrutiny Committee of progress made against the 2020/21 internal audit plan.

The following reports had been finalised since the last Committee:

- Performance Management & Formal Complaints (Substantial/Moderate)
- Sickness Absence (Substantial/Limited)
- Corporate Strategy (Substantial/Moderate)
- Fraud Risk Assessment (N/A – advisory)

Mr Rubins, Internal Audit BDO, was present at the meeting and summarised the report.

Members requested some context regarding the sickness absence as outlined in the report. Officers confirmed that with regard to the raised sickness figures recorded at the Depot, a plan was in place to address the issues, including more sophisticated reporting systems, and in-house HR services. This year had been particularly difficult, notwithstanding the changes implemented to the depot service. However, officers gave assurance that the wellbeing of all staff is paramount.

Following a full discussion, Members were asked to note the following:

- 1. That the Committee receives and notes the contents of the Internal Audit Progress Report attached in Appendix A.**
- 2. That the Committee receives and notes the contents of the Internal Audit Follow Up Report attached in Appendix B.**

Reason for Recommendation

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

584. Risk Management Report

The report updated members of the Audit & Scrutiny Committee on the status of the Council's 2019/20 Strategic Risk Register and high-level Operational Risks.

One new risk had been added to the Strategic Risk Register. One risk has increased and three risks have reduced. All other risk scores remained the same.

Of the high-level operational risks, one score had increased and two transferred to the Strategic Risk Register. The other six risks scores had remained the same.

Following a full discussion Members were asked:

- 1. To note the Strategic Risk Register, as shown in Appendix A.**
- 2. To note the risk scores recorded for the high-level Operational Risks, as shown in Appendix B.**

Reasons for Recommendation

Risk Management continues to be imbedded quarterly within the Senior Leadership Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.

The Risk and Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

585. Insurance and Risk Management Strategy

The report updated members of the Audit & Scrutiny Committee with a revised Insurance & Risk Management Strategy attached in Appendix A.

The following changes had been updated:

- Insurance Framework (pages 4, 5 & 6)
- Risk Management Framework (page 8)
- Roles and Responsibilities (pages 10 & 11)
- Risk Tolerance (page 16)

- Monitoring arrangements for Key Risks (pages 16 & 17)

This report was published as an information only item, however, the Chair confirmed it was in fact a decision item and a vote would follow.

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

Mrs Van Mellaerts presented the report.

Following a full discussion a vote was taken and it was **RESOLVED UNANIMOUSLY** that Members:

1. **Approve and adopt the revised Insurance & Risk Management Strategy 2020, as shown in Appendix A.**

Reasons for Recommendation

Risk Management continues to be imbedded quarterly within the Senior Leadership Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.

The Risk and Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

586. Formal Complaints and Performance Indicator Working Group

This report submitted 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 recommendation in the report.

A vote was taken and it was **RESOLVED UNANIMOUSLY** that Members:

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

Reason for Recommendation

To ensure the Council provides quality customer services.

587. Local Development Plan Member Working Group Update

The Local Development Plan (LDP) Member Working Group is an established engagement between Officers and Councillors focussed on delivery of the Council's Local Plan and related work. Its purpose was approved by Policy, Projects and Resources Committee in September 2017.

The work of the working group is monitored by the Audit and Scrutiny Committee as part of the committee's work programme. This report provided an update on the most recent meetings of the working group.

Members were asked to:

- 1. Note the update provided in this report and the appendices enclosed.**

Reason for Recommendation

As part of the Audit and Scrutiny Committee work programme, an update on the work of the LDP Member Working Group was provided.

588. Work Programme - Review of Axis Housing Repairs and Maintenance

The Chair of the Audit & Scrutiny Committee put forward a proposal that the Committee review the first year of the Council's Housing repairs and maintenance contract and performance with Axis.

The Axis contract went live on the 4th June 2019 providing a comprehensive planned and responsive maintenance programme for 10 years with the option to extend the contract for a further 5 years, totalling a 15-year contract.

To assist the review of the contract Mr Eamon O'Donnell of Axis provided a presentation to the Committee on progress to date..

Following the presentation volunteers came forward to form the Member Working Group:

Cllrs Nolan, Tanner, Miss Sanders, Naylor, Lewis and Dr Barrett.

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

A vote was taken and it was **RESOLVED UNANIMOUSLY** that Members:

- 1. Note the presentation from Axis**

2. **Agree the arrangement of a members' working group to review in further detail the performance of the Housing Repairs and maintenance contract and report back to the next committee.**

Reason for Recommendation

To ensure a transparent contract management process.

589. Scrutiny Work Programme 2020/21

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 as 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.

Members are aware that the Chair of the committee proposed that a review of the Council's Housing Repairs and Maintenance contractor, Axis, be undertaken and this has been added to the work programme and was an item on this agenda.

Cllr Dr Barrett put forward a recommendation for the work programme to scrutinise the new Brentwood Leisure Centre provider to ensure safeguarding of Council assets in the future. The appropriate form will be completed for the next Audit & Scrutiny meeting.

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

A vote was taken and it was **RESOLVED UNANIMOUSLY:**

1. **That the Committee considers and agrees the 2020/21 Scrutiny work programme as set out in Appendix A with any additions agreed by the committee at the meeting.**

Reason for Recommendation

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

590. Urgent Business

There were no items of urgent business.

The meeting ended at 20:40

