

**MINUTES OF THE AUDIT & STANDARDS COMMITTEE
HELD ON**

9 March 2016

7.30pm - 8.55pm

PRESENT

Committee Members

Councillor Karen Clempner (Vice-Chair, in the Chair)
Councillor Ian Beckett
Councillor Simon Carter
Councillor Jean Clark
Councillor Edna Stevens

Officers

Brian Keane, Head of Governance
Sarah Marsh, Internal Audit Manager
Amma Osei-Boateng, Internal Auditor
Jo Maskell, Governance Support Officer

APOLOGIES

Councillor Manny Doku
Councillor Russell Perrin

37. **DECLARATIONS OF INTEREST**

Councillor Simon Carter declared a non-pecuniary interest in agenda item 12 (Internal Audit Activity Report) as a trustee of Streets2Homes.

38. **MINUTES**

RESOLVED that the minutes of the meeting held on 25 November 2016 are agreed as a correct record and signed by the Chairman.

39. **MATTERS ARISING**

None.

40. **WRITTEN QUESTIONS AND PETITIONS**

None.

41. **NON CONTENTIOUS BUSINESS**

RESOLVED that agenda item 13 (Internal Audit Compliance with the Public Sector Internal Audit Standards) is taken as non-contentious business.

42. **COMMITTEE WORK PLAN**

The Committee received its work plan, which showed that only two items remained to be allocated to the work plan for the 2016/17 municipal year.

RESOLVED that the work plan is noted.

43. **HARLOW DISTRICT COUNCIL AUDIT PLAN 2015-16**

The Committee received the external auditor's proposed annual Audit Plan to be undertaken by them on the Council's 2015/16 audit.

It was noted that Ernst & Young would report back on the three identified financial statement risks to the September meeting of this Committee.

RESOLVED that Ernst & Young's proposed Audit Plan is noted.

44. **CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2014-15**

The Committee received the annual Certification of Claims and Returns report from the external auditor.

Members of the Committee wished to record their appreciation to the Revenue and Benefits Team for their continued high level of accuracy in the calculation and award of benefits.

RESOLVED that the Council's external auditor's report is noted.

45. **RISK MANAGEMENT REPORT**

Following the endorsement of the revised Corporate Risk Register at its last meeting, the Committee received a report on the register, which included provision for an in-depth look at a key risk at each meeting and a proposed 'Risk Appetite General Statement' for approval.

This General Statement explained the reasoning behind the Council's overall risk appetite; detailed the risk appetite definitions; and showed the risks allocated by Corporate Priority and Guiding Principles.

The Committee agreed with the Council's overall risk appetite being classed as 'Moderate' (as defined in Appendix 1 of the Risk Appetite General Statement).

The Council's risk would be reviewed quarterly by the Corporate Management Team and an update report submitted to the Committee annually (or more frequently if necessitated by events).

RESOLVED that the report is noted and the Council's Risk Appetite General Statement, as detailed in Appendix C of the report, is agreed.

46. **INTERNAL AUDIT STRATEGY AND PLAN 2016/17**

The Committee received a report which outlined the Internal Audit Strategy and Plan for the coming municipal year.

The report outlined the approach the Internal Audit Manger would take to fulfil internal audit obligations. Initially, this included sharing audit staffing resources across the three Councils (Broxbourne, Harlow and Epping Forest) who were providing a joint service and working ultimately towards a formal shared audit service.

As the level of Internal Audit resources available would impact on the delivery of the proposed Plan, the Committee was asked to decide the level and breadth of assurances it required. Proposed audits within the square brackets (at Appendix A of the report) were identified as requiring additional resources to complete.

The Committee agreed that these proposed audits could be dropped from the Plan with the proviso that the Internal Audit Manager would work with the Corporate Management Team and Heads of Service to monitor whether any of these audits should move to a higher priority during the year.

RESOLVED that the Audit Strategy and Plan for 2016/17 as detailed in Appendix A of the report, is approved subject to the deletion of the proposed audits within the square brackets.

47. **INTERNAL AUDIT ACTIVITY REPORT: DECEMBER 2015 - FEBRUARY 2016**

The Committee received the Internal Audit Activity Report which covered the period from December 2015 to February 2016.

The report outlined the progress made against the Audit Plan and included a proposal to drop and/or defer certain audits in order to ensure delivery of the Plan within available resources.

RESOLVED that the report is noted and the suggestion to drop or defer a number of audits, as detailed in paragraph 1 of the report, is agreed.

48. **INTERNAL AUDIT COMPLIANCE WITH THE PUBLIC SECTOR
INTERNAL AUDIT STANDARDS (PSIAS)**

The Committee received a report on the Council's compliance with the Public Sector Internal Audit Standards (PSIAS). This was the first self-assessment of the compliance, that the Internal Audit Manager had undertaken which covered all three Councils who were moving towards a shared service (ie Broxbourne, Harlow and Epping Forest Councils).

Although there was compliance with the Standards in all significant areas, there was only partial compliance in two areas across the three Councils. An Action Plan was proposed to achieve full compliance across all the Councils.

RESOLVED that the report is noted and the Action Plan, as contained in the report, is agreed.

49. **REFERENCES FROM OTHER COMMITTEES**

None.

50. **MATTERS OF URGENT BUSINESS**

None.

CHAIRMAN OF THE COMMITTEE