

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

22 June 2016

7.30pm - 8.20pm

PRESENT

Committee Members

Councillor Karen Clempner (Chairman)
Councillor Simon Carter
Councillor Jean Clark
Councillor Mark Ingall
Councillor Eddie Johnson
Councillor Stefan Mullard

Officers

Sarah Marsh, Internal Audit Manager
Jonathan Russell, Senior Internal Auditor
Jo Maskell, Governance Support Officer

External Auditor

Steve Bladen, Ernst & Young

APOLOGIES

Councillor Ian Beckett
Councillor Russell Perrin
Councillor Edna Stevens

1. **DECLARATIONS OF INTEREST**

Councillor Simon Carter declared a non-pecuniary interest in agenda item 8 (Annual Governance Statement) as a Council-appointed director of HTS (Property and Environment) Ltd.

2. **MINUTES**

RESOLVED that the minutes of the meeting held on 9 March 2016 are agreed as a correct record and signed by the Chairman.

3. **MATTERS ARISING**

None.

4. **WRITTEN QUESTIONS AND PETITIONS**

None.

5. **NON CONTENTIOUS BUSINESS**

RESOLVED that no items are taken as non-contentious business.

6. **COMMITTEE WORK PLAN**

The Committee received its current work plan for the 2016/17 municipal year.

RESOLVED that the work plan is noted.

7. **ANNUAL GOVERNANCE STATEMENT 2015-16**

The Committee received a covering report and the Annual Governance Statement, which would accompany the Council's Statement of Accounts for 2015/16.

RESOLVED that the Annual Governance Statement for 2015/16 be referred to Cabinet for approval.

8. **INTERNAL AUDIT ANNUAL REPORT 2015-16**

The Committee received the Internal Audit Annual Report for 2015/16, which summarised the results of internal audit work during that year and gave an overall opinion of the Council's governance, risk management and control framework.

The Committee reviewed the report and appendices as part of its review of the adequacy and effectiveness of internal control.

The Internal Audit Manager explained that the disparity between the target (95%) and outcome (72%) for achievement of the Annual Plan was partly due to the unrecorded amount of project work undertaken by the Internal Audit Team. It was agreed that consideration would be given to presenting figures in future annual reports in a more representative way.

RESOLVED that

- (a) the contents of the report and appendices are noted;
- (b) it is noted that, for the 12 months ended 31 March 2016, the Council has operated an adequate and effective governance, risk management and control framework.

9. **INTERNAL AUDIT ACTIVITY REPORT**

The Committee received a report on the work undertaken by the Internal Audit Team since the last update to this Committee in March 2016. This included the Recommendation Tracker, which was used to monitor the implementation of recommendations arising from various internal audits.

Councillors reviewed the outcomes of the work of the Internal Audit Service to identify any issues for further consideration.

Whilst the Committee was concerned that there had been an unfortunate delay in implementing some of its recommendations, it highlighted the recommendations regarding agency workers as being of particular concern. It was agreed that if significant progress were not made in implementing these recommendations by September 2016, the relevant Head of Service be invited to attend the next meeting of this Committee for an explanation.

RESOLVED that

- (a) the report is noted;
- (b) if appropriate, the Head of Governance be invited to the next meeting of this Committee for an update on the implementation of the recommendations regarding the use of agency workers.

10. **RISK MANAGEMENT PROGRESS REPORT 2016-17**

In line with the approach to Risk Management agreed at its last meeting (*Min 45, 9/3/16*), the Committee received a report on the Corporate Risk Register. The report included details of specific key risk CR02 (The Harlow Offer), which had been proposed for a more in-depth review by the Committee.

In addition to the items considered by the Corporate Management Team and Heads of Service for inclusion in the Register, the Committee suggested also including the local authority trading company HTS (Property and Environment) Ltd.

RESOLVED that

- (a) the report is noted;
- (b) details of Risk No: CR05 (Wellbeing and Social Inclusion) be submitted to the next meeting of this Committee for review;
- (c) Potential risk associated with HTS (Property and Environment) Ltd be included in the Corporate Risk Register

and detailed in the Risk Management report submitted to the next meeting of this Committee.

11. **AUDIT ASSURANCE AND RECOMMENDATION RATINGS**

The Committee received a report proposing revised levels of assurance and internal audit recommendation priority ratings, which would provide compatibility between ourselves, Broxbourne and Epping Forest District Councils, as well as satisfying the Public Sector Internal Audit Standards (PIAS) guidance.

RESOLVED that the revised internal audit recommendation priority ratings and internal audit report levels of assurance, as detailed in Appendices 4 and 5 of the report respectively, be approved.

12. **REFERENCES FROM OTHER COMMITTEES**

None.

13. **MATTERS OF URGENT BUSINESS**

None.

CHAIRMAN OF THE COMMITTEE