

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

28 November 2018

7.30 - 9.05 pm

**PRESENT**

**Committee Members**

Councillor Stefan Mullard (Vice-Chair, in the Chair)  
Councillor Simon Carter  
Councillor Jean Clark  
Councillor Tony Edwards  
Councillor Russell Perrin  
Councillor Chris Vince

**Officers**

Simon Freeman, Head of Finance and Deputy to the Managing Director  
Sarah Marsh, Internal Audit Manager  
Adam Rees, Governance Support Officer

**Additional Attendees**

Lisa Clampin, BDO  
Francesca Palmer, BDO

30. **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Michael Hardware.

31. **DECLARATIONS OF INTEREST**

Councillors Simon Carter and Chris Vince both declared non-pecuniary interests in items 9 and 11 as Council appointed Directors of HTS (Property and Environment) Ltd.

32. **MINUTES**

**RESOLVED** that the minutes of the meetings held on 31 July and 5 September 2018 are agreed as a correct record and signed by the Chair.

33. **MATTERS ARISING**

None.

34. **WRITTEN QUESTIONS AND PETITIONS**

None.

35. **NON CONTENTIOUS BUSINESS**

None.

36. **COMMITTEE WORK PLAN**

The Committee received its current work plan.

**RESOLVED** that the work plan is noted.

37. **ANNUAL AUDIT LETTER**

The Committee received the annual audit letter from the external auditors, Ernst & Young, which summarised their findings on the audit work they had undertaken at the Council during 2017/18.

**RESOLVED that:**

**A** The Committee acknowledged the Annual Audit Letter for 2017/18 (attached as Appendix A to the report) and the key issues identified regarding the audit opinion, financial statements and key challenges.

38. **INTERNAL AUDIT ACTIVITY REPORT**

The Committee received the Internal Audit Activity Report, which showed the progress made against the Audit Plan since the last meeting of the Committee. It is also set out the review of the Code of Corporate Governance, the Anti-Fraud and Corruption Strategy and the Internal Audit Charter.

*Councillor Mullard declared a non-pecuniary interest as a member of the Harlow Playhouse Trust*

**RESOLVED that** the Committee:

**A** Noted the outcomes of the work of the Internal Audit service for the period July to November 2018 and identifies any issues for further consideration.

**B** Noted the unchanged Code of Corporate Governance.

**C** Approved the revised Anti-Fraud and Corruption Strategy (attached as Appendix C to the report).

**D** Approved the Internal Audit Charter (attached as Appendix D to the report).

39. **REVIEW OF AUDIT & STANDARDS COMMITTEE EFFECTIVENESS AND TERMS OF REFERENCE**

The Committee received the report Review of the Effectiveness of the Audit and Standards Committee and its Terms of Reference, which set out an action plan for improvement of the functions of the Committee.

The Committee agreed that a task and finish group would be established to look at the appointment of an independent person to the Committee. The terms of reference and membership of which are set out below.

**RESOLVED that** the Committee:

- A** Noted the results of the review of effectiveness of the Audit and Standards Committee and agrees the proposed action plan for improvements.
- B** Established a task and finish group to look at whether the Committee should appoint an independent person with the terms of reference and membership as set out below.
  - i) To establish the advantages and disadvantages of having an independent person on the Committee.
  - ii) To determine whether the Committee should appoint an independent person.
  - iii) To make a recommendation to the Committee consistent with points i) and ii) above.
  - iv) The membership will be Councillors Simon Carter, Jean Clark and Stefan Mullard.

40. **RISK MANAGEMENT PROGRESS REPORT**

The Committee received a progress report on the Council's risk management arrangements including the review of the Risk Management Strategy.

Having previously identified various corporate risks from the Corporate Risk Register for scrutiny, the Committee considered the outstanding risks for review, namely CR06.

The Committee agreed that a review of the Council's risk appetite would be included the next Risk Management Progress Report which would be considered at the meeting on 13 March 2019.

**RESOLVED that** the Committee:

- A** Approved the Risk Management Strategy (attached as Appendix A to the report).
- B** Reviewed the Corporate Risk Register as set out in the report.
- C** Agreed that a review of the Council's risk appetite would be included in the next report to the Committee on 13 March 2019.

41. **REFERENCES FROM OTHER COMMITTEES**

None.

42. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE