

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

6 September 2017

7.30 - 9.05 pm

PRESENT

Committee Members

Councillor Karen Clempner (Chair)
Councillor Ian Beckett (Vice-Chair)
Councillor Simon Carter
Councillor Jean Clark
Councillor Mark Ingall
Councillor Eddie Johnson
Councillor Stefan Mullard

SUBSTITUTE

Councillor Maggie Hulcoop substitute for Councillor Edna Stevens

Officers

John Dyson, Principal Finance Manager
Simon Freeman, Head of Finance
Natalie Hook, Internal Audit
Sarah Marsh, Internal Audit Manager
Jo Maskell, Governance Support Officer

External Auditor

Judy Enoch, Ernst & Young
Julie Kriek, Ernst & Young
Suresh Patel, Ernst & Young

APOLOGIES

Councillor Russell Perrin
Councillor Edna Stevens

16. **DECLARATIONS OF INTEREST**

Councillor Simon Carter declared a non-pecuniary interest in agenda item 11 (Audited Annual Accounts) as a Council appointed director of HTS (Property and Environment) Ltd.

17. **MINUTES**

RESOLVED that the minutes of the meeting held on 21 June 2017 are agreed as a correct record and signed by the Chair.

18. **MATTERS ARISING**

None.

19. **WRITTEN QUESTIONS AND PETITIONS**

None.

20. **NON CONTENTIOUS BUSINESS**

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

21. **COMMITTEE WORK PLAN**

The Committee received its current work plan and allocated the update on the Gender Pay Gap Regulations to the March meeting of this Committee. It was noted that this report would update the Committee on the publication of the various statistics required since April 2017.

RESOLVED that

- (a) the work plan is noted;
- (b) the update on the publication of Gender Pay Gap Regulations be allocated to 14 March 2018.

22. **LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING DOCUMENT**

The Committee received a briefing paper from the external auditor for quarter three, which highlighted current governmental and economic issues which might have an impact on the Council.

This included how the Council might mitigate against cyber attacks, such as from the recent global WannaCry ransomware attack. Thankfully, the Council had not been affected by this attack and members of the Committee were assured that the robustness of its security was constantly monitored and upgraded.

It was noted that, as a result of the local government tender process announced by the Public Sector Audit Appointments Limited (PSAA), the Council would not be re-appointing Ernst & Young as its external auditor. With effect from January 2018 a new external auditor would be appointed for all Essex Councils.

RESOLVED that the briefing paper is noted.

23. **AUDIT RESULTS REPORT - ISA 260**

The Committee received a report and the external auditor's draft findings on their audit of the Council's financial statements and arrangements to secure value for money in the use of its resources.

The external auditor gave an update on the audit work completed since the draft report had been written.

The Committee considered whether there were any significant matters to be referred to the Cabinet for its consideration alongside the Statement of Accounts. No material issues had been raised and there were no uncorrected mis-statements.

The Committee thanked Ernst & Young for their support and Officers for their work in producing the Statement of Accounts.

RESOLVED that

- (a) no matters are considered significant to be referred to Cabinet for consideration alongside the Statement of Accounts at its meeting on 14 September 2017;
- (b) the Value for Money assessment of the Council's use of resources, as contained in the report from the Council's appointed auditor, is noted;
- (c) the continued progress made in the preparation of the Statement of Accounts is acknowledged, which, in preparation for the Government's requirement for earlier production of local authority final accounts with effect from 2017/18, has facilitated completion of both an earlier final accounts preparation and for the audit to be completed at an earlier date whilst maintaining only minimal adjustments to the draft accounts.

24. **MANAGEMENT LETTER OF REPRESENTATIONS 2016/17**

The Committee received a report and draft letter of representation regarding the audit of the 2016/17 financial statements.

RESOLVED that the draft Letter of Representation, at Appendix 1 of the report, is agreed and recommended to Cabinet for formal acknowledgement at its meeting on 14 September 2017.

25. **AUDITED ANNUAL ACCOUNTS 2016/17**

The Committee received the draft 2016/17 Statement of Accounts and a tabled addendum of adjustments made since the report was published.

RESOLVED that the 2016/17 Statement of Accounts as appended to the report, together with the tabled addendum, are noted and referred to Cabinet for approval.

26. **INTERNAL AUDIT ACTIVITY REPORT**

The Committee received a report on the work undertaken by the Internal Audit Team during the period from June to September 2017. This included the Recommendation Tracker, which monitored the implementation of recommendations arising from internal audits.

The Committee considered the report and did not identify any issues for further consideration

RESOLVED that the report is noted.

27. **AUDIT & STANDARDS COMMITTEE TRAINING PROGRAMME**

Further to Minute 13, 21 June 2017, the Committee received a report on a training programme for the Committee, which was tailored to the Committee's requirements.

It was agreed that General Data Protection Regulations should be included in the training.

RESOLVED that authority be delegated to the Internal Audit Manager, in consultation with the Chair of the Committee, to approve the Committee training programme.

28. **REFERENCES FROM OTHER COMMITTEES**

None.

29. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE