

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

23 November 2016

7.30pm - 9.10pm

PRESENT

Committee Members

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

Officers

Simon Freeman, Head of Finance
Sarah Marsh, Internal Audit Manager
Sue Linsley, Senior Auditor, EFDC (observer)
Jo Maskell, Governance Support Officer

External Auditor

Stephen Bladen, Ernst & Young

APOLOGIES

Councillor Edna Stevens

27. **DECLARATIONS OF INTEREST**

Councillor Simon Carter declared a non-pecuniary interest in agenda item 11 (Internal Audit Activity Report) as he was a Council-appointed director of HTS (Property and Environment) Ltd.

28. **MINUTES**

RESOLVED that the Minutes of the meeting held on 7 September 2016 are agreed as a correct record and signed by the Chairman.

29. **MATTERS ARISING**

None.

30. **WRITTEN QUESTIONS AND PETITIONS**

None.

31. **NON CONTENTIOUS BUSINESS**

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

32. **COMMITTEE WORK PLAN**

The Committee received its current work plan.

RESOLVED that the work plan is noted.

33. **ANNUAL AUDIT LETTER 2015/16**

The Committee received a report which outlined the key messages from the Annual Audit Letter from Ernst & Young. The Letter was presented by the external auditor and summarised their findings on the audit work they had carried out at the Council during 2015/16.

They had issued an unqualified opinion on the Council's accounts and had no significant issues to report.

It was noted that the Council had measures in place to meet the new deadline for financial statements, which was being introduced from 2017/18. Financial statements would need to be produced by the end of May, which was a month earlier than the current end of June deadline.

RESOLVED that the Annual Audit Letter for 2015/16 and the key issues identified regarding the audit opinion, financial statements and key challenges are acknowledged.

34. **AUDITORS APPOINTMENT**

Following the Government's announcement for new arrangements for auditing England's local public bodies, the Committee received a report, setting out the options for the appointment of its auditors. It was proposed that the Council participated in the national procurement process, in order to appoint an external auditor for the 2018/19 financial year (once the current contract with Ernst & Young had finalised).

RECOMMENDED to COUNCIL that

- (a) Harlow Council participates in the national procurement process led by Public Sector Audit Appointments Limited (PSAA) for the appointment of its external auditors;
- (b) delegated authority be granted to the Head of Finance, as the Council's statutory officer under Section 151 of the Local Government Act 1972, to give formal notice of the Council's intention to opt into the PSAA procurement exercise.

35. **REVIEW OF EFFECTIVENESS OF THE AUDIT COMMITTEE AND ITS TERMS OF REFERENCE**

The Committee received a report on the review of the effectiveness of the audit function of the Audit & Standards Committee, which included an action plan for minor improvements and a suggestion to review the Committee's Terms of Reference.

RESOLVED that

- (a) the self-assessment results, which show that Harlow Council is compliant with recommended best practice for an effective audit committee, are approved;
- (b) the action plan, as contained within the report, is approved;
- (c) a review of the Committee's Terms of Reference are reported to the March meeting of this Committee.

36. **INTERNAL AUDIT ACTIVITY REPORT**

The Committee received the Internal Audit Activity Report which showed the progress made to date against the 2016/17 Audit Plan.

Whilst it was gratifying to note that since September 2016 the number of recommendations in the tracker which had passed their due date had reduced, the Committee was concerned about the significant delay in implementing some of the remaining outstanding recommendations.

In particular, the implementation of The Water Gardens Car Park and the Corporate Business Continuity Plan recommendations were highlighted as having been unacceptably delayed.

RESOLVED that

- (a) the report is noted;
- (b) should a satisfactory explanation for the delay in the implementation of Tracker Recommendations 1, 3, 4 and 5 not be received, then the Head of Place and the Head of Housing be invited to the next meeting of this Committee for an explanation of the delay into The Water Gardens and Corporate Business Continuity Plan respectively.

37. **ANTI-FRAUD AND CORRUPTION STRATEGY**

The Committee received a report proposing revisions to the Anti-Fraud and Corruption Strategy.

It was noted that the Corporate Governance Group would develop, implement and monitor a Fraud Action Plan, which would support the Anti-Fraud and Corruption Strategy.

RECOMMENDED that the revised Anti-Fraud and Corruption Strategy be approved.

38. **RISK MANAGEMENT REPORT**

The Committee received report on the Corporate Risk Register, with CR04 being specifically reviewed.

RESOLVED that the Risk Management Report, including the highlighted review of CR04, is noted.

39. **REFERENCES FROM OTHER COMMITTEES**

None.

40. **MATTERS OF URGENT BUSINESS**

None.

CHAIRMAN OF THE COMMITTEE