

**AUDIT COMMITTEE
26th March, 2019**

Present:- Councillor Wyatt (in the Chair); Councillors Cowles, Vjestica, Walsh and Bernard Coleman (Independent Person)

Gareth Mills and Thilina De Zoysa (Grant Thornton UK LLP) were also in attendance.

An apology was submitted by Councillor Watson (Minute No. 88 Children and Young People's Service Risk Register).

79. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

80. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS

There were no members of the press or public present at the meeting.

81. MINUTES OF THE PREVIOUS MEETING HELD ON 29TH JANUARY 2019

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 29th January, 2019.

Resolved:- That the minutes of the previous meeting of the Audit Committee be approved as a correct record of proceedings.

82. EXTERNAL AUDIT PROGRESS REPORT

Consideration was given to a report submitted by Grant Thornton UK LLP providing details of the progress of the external audit of the Council's accounts and financial statements for the 2018/19 financial year, as at 14th March, 2019.

Mr. G. Mills, Engagement Lead, Grant Thornton UK LLP, drew attention to, and responded to Members' questions, as follows:-

- Interim audit visit had commenced on 18th February and would continue into March.
- The next quarterly meeting with the Chief Executive and Section 151 Officer was scheduled to take place on 9th April
- Discussions continued with Finance staff regarding emerging developments and to ensure the audit process was smooth and effective
- The information systems specialist team had performed a high level review of the general IT control environment as part of the overall review of the internal controls system at the Council

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- Work carried out to date had not identified any weaknesses which impacted upon their audit approach

Resolved:- That the report be received and its contents noted.

83. INTERNAL AUDIT STRATEGIC PLAN 2019/20 TO 2021/22

Consideration was given to a report, presented by the Head of Internal Audit, regarding the Internal Audit Strategic Plan for the 3 year period 2019/2020 to 2021/2022.

The report explained the Internal Audit approach to the development of the Strategic Plan, as well as detailing the specific activities to be reviewed during the 3 years' period of the Plan. It was noted that the Plan reflected a comprehensive risk assessment process, which also included discussions with the Council's Strategic Directors and Assistant Directors to obtain their views of key risks and areas for audit coverage.

Outline scopes for each review were submitted. The following types of audit work would be completed:-

- Risk based work
- System based work
- Follow up audits
- Advisory work
- Value for money
- Grant claims
- Schools
- Counter fraud work

The Committee discussed the following salient issues:-

- The Improving Places Select Commission was due to receive a progress report on the Scrutiny Review recommendations of Emergency Planning and Business Continuity as well as its biannual upgrade
- The Home to School Transport review would involve a lot of change and development required to try to enable young people to travel more independently

Resolved:- (1) That the report be received and its contents noted.

(2) That the Internal Audit Strategic Plan for the 3 years' period 2019/2020 to 2021/2022, as now submitted, be approved.

84. AUDIT COMMITTEE FORWARD WORK PLAN

Consideration was given to the proposed forward work plan for the Audit Committee covering the period June, 2019 to March, 2020.

Resolved:- That the Audit Committee forward plan, now submitted, be supported and any amendments arising actioned in due course.

85. ITEMS FOR REFERRAL FOR SCRUTINY

There were no items for referral to Scrutiny.

86. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006 (information relates to finance and business affairs).

87. INTERNAL AUDIT PROGRESS REPORT 1ST JANUARY-28TH FEBRUARY 2019

Consideration was given to a report presented by David Webster, Head of Internal Audit, which provided a summary of Internal Audit work completed during 1st January to 28th February, 2019, and the key issues that had arisen therefrom.

The completion of the audit plan had been impacted by 2 staff vacancies within the Audit Team, however, replacement staff had commenced work in January 2019 and the Team was now fully staffed.

Performance against key indicators had been maintained apart from audits completed within planned time where there was an overrun on one review.

The updated plan was given in Appendix A. There had been one change to the plan since the half year update reported to the last Committee (Appendix B).

6 audits had been finalised since the last Audit Committee meeting including 3 with Partial Assurance (Appendix C).

Appendix D set out details of the unplanned responsive work completed since the last Audit Committee with Appendix E summarising Internal Audit's performance against a number of Indicators.

Appendix F showed the number of outstanding recommendations that had passed their original due date, age rated. For those over 120 days old the detail was then given, where they had been deferred the comment received from the Manager was given and where there was no change to the due date or comment, the Manager had not updated the system.

Discussion ensued on various matters contained within the agreed actions section of the report which included:-

- Crisis loans
- Out of Authority placements of young people
- Liquid Logic Case Management
- Mental Capacity Act
- Direct Payments
- Outstanding former tenant arrears
- Refresh of Members' Register of Interests

Resolved:- (1) That the Internal Audit work undertaken since meetings of the Audit Committee, 1st January to 28th February, 2019, and the key issues arising therefrom be noted.

(2) That the information submitted regarding the performance of Internal Audit and the actions being taken by management in respect of the outstanding actions be noted.

88. CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS) RISK REGISTER

Consideration was given to a report, presented by Jon Stonehouse, Strategic Director, Children and Young People's Services, providing details of the Risk Register and risk management activity within the Children and Young People's Services' Directorate.

The Committee sought reassurance on the Risk Register and risk management activity in particular highlighting:-

- How the Register was maintained/monitored and at what frequency
- Involvement of the Cabinet Member
- How risks were included on and removed from the Register
- Anti-fraud activity in the Directorate

A detailed breakdown was given of the 7 risks included within the Register.

Resolved:- That the progress and current position in relation to risk management activity in the Children and Young People's Directorate, as detailed in the report now submitted, be noted.

89. DATE AND TIME OF NEXT MEETING

Resolved:- That a further meeting be held on Tuesday, 18th June, 2019, commencing at 2.00 p.m.