

## Minutes

### Audit and Governance Committee

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Venue:	Committee Room
Date:	Wednesday 26 July 2017
Time:	5.00 pm
Present:	Councillors M Jordan (Chair), I Reynolds (Vice Chair), Mrs J Chilvers, B Marshall, Mrs M McCartney, B Sage and Mrs D White (sub for K Arthur).
Apologies:	Councillor K Arthur (substitute Mrs D White).
Officers present:	Karen Iveson, Chief Finance Officer (s151); Mark Kirkham, Partner, Mazars LLP; Gavin Barker, Manager, Mazars LLP; Peter Williams, Head of Finance; Ed Martin, Senior Auditor, Veritau; Dan Spiller, Auditor, Veritau; Alice Courtney, Democratic Services Officer and Daniel Maguire, Democratic Services Officer.
Public:	0
Press:	0

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#### 2. DISCLOSURES OF INTEREST

There were no disclosures of interest.

#### 3. MINUTES

The Committee considered the minutes of the Audit and Governance Committee meeting held on 19 April 2017 and the meeting held on 14 June 2017 which was inquorate.

#### RESOLVED:

**To approve the minutes of the Audit and Governance Committee meeting held on 19 April 2017 and the meeting held on 14 June 2017 which was inquorate.**

#### **4. CHAIR'S ADDRESS TO THE AUDIT AND GOVERNANCE COMMITTEE**

The Chair welcomed members of the Committee and Officers to the meeting, giving special thanks and appreciation to Daniel Maguire, Democratic Services Officer for his work prior to leaving the organisation.

#### **5. AUDIT ACTION LOG**

The Committee reviewed the Audit Action Log. It was noted that the ICT report had been circulated to the Committee and therefore that action was noted as complete.

#### **RESOLVED:**

**To note the Audit Action Log.**

*Note – Councillor I Reynolds entered the room at this point in the meeting.*

#### **6. AUDIT AND GOVERNANCE WORK PROGRAMME**

The Committee considered the current Committee work programme. There were no comments or amendments.

#### **RESOLVED:**

**To note the Work Programme.**

#### **7. RISK MANAGEMENT ANNUAL REPORT 2016/17 (A/17/6)**

The Committee received the report, presented by the Chief Finance Officer who highlighted that the Corporate Risk Register and Service Based Risk Registers had been updated, and explained that officers would continue to look at how to improve the monitoring and reporting of risk management.

Members of the Committee highlighted the usefulness of the training/briefing sessions that preceded meetings of the Committee.

#### **RESOLVED:**

**To note the report.**

#### **8. REVIEW OF THE CORPORATE RISK REGISTER (A/17/7)**

The Committee received the report, presented by the Chief Finance Officer who highlighted that the Corporate Risk Register would be continually updated.

In response to a query from the Chair about the risk in relation to senior management on the Corporate Risk Register, the Chief Finance Officer advised that the Council's governance arrangements would be kept under review.

The Chair commented on the importance of the risk relating to adequately responding to Civil Emergencies on the Corporate Risk Register, in light of recent Civil Emergencies across the country, and requested that this item remain on the register.

The Committee was satisfied that the content of the register meant that officers were considering the right risks.

**RESOLVED:**

**To endorse the actions of Officers in furthering the progress of risk management.**

**9. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT (A/17/8)**

The Committee received the report, presented by the Senior Auditor.

The Committee queried what training and policies were in place regarding Information Security, as they had highlighted members of staff leaving their computers unlocked. The Senior Auditor highlighted the need for officers to encourage their colleagues to lock their computers while they were away from their desks. The Chief Finance Officer explained that the issue was taken seriously and on-going action to embed data security would continue but also reassured the Committee that the office was a secure environment.

The Senior Auditor highlighted an amendment to Appendix A of the report on page 51 where the General Ledger status should have been recorded as substantial as opposed to reasonable.

The Committee questioned the issue of revised dates if an audit report target was not met. The Senior Auditor gave reasons for revised dates and noted that if the revised date was deemed reasonable then it would be agreed. The Chief Finance Officer added that quarterly Audit reporting to the Leadership Team takes place to hold Heads of Service to account.

The Chair queried the 'No Opinion Given' status of the Project Management Audit. The Senior Auditor highlighted that this status was due to the scope of the report and explained that it was proposed that there would be a mid-term review of the Annual Governance Statement at the January meeting.

In response to a query on counter-fraud rejected referrals, the Senior Auditor explained that the situation occurred in cases when initial enquiries had proven the original referrals incorrect, and that he would forward any extra information on this to the Chief Finance Officer and Democratic Services.

**RESOLVED:**

**I. To note the report.**

- II. To amend the Work Programme to include a mid-term review of the Annual Governance Statement in January.**
- III. To ask the Senior Auditor to forward any extra information on counter-fraud referral rejections to the Chief Finance Officer and Democratic Services, so that they can be circulated to the Committee**

#### **10. INTERNAL AUDIT CHARTER (A/17/9)**

The Committee received the report, presented by the Senior Auditor who highlighted that the tracked changes helped to highlight changes made to the charter. The Senior Auditor explained that a number of changes had been made to the internal audit charter and that these changes were necessary to comply with the revised Public Sector Internal Audit Standards (PSIAS). The revised internal audit charter had been circulated with the agenda and included all the relevant changes.

**RESOLVED:**

**To approve the revised Internal Audit Charter.**

#### **11. EXTERNAL AUDIT PROGRESS REPORT (A/17/10)**

The Committee considered the report, presented by the Manager, Mazars LLP, who noted that the report was slightly out of date as it was intended for the previous Committee meeting.

**RESOLVED:**

**To consider the report.**

#### **12. EXTERNAL AUDIT COMPLETION REPORT (A/17/11)**

The Committee received the report, presented by the Manager, Mazars LLP, who highlighted that the report summary would normally be presented in September, however presenting it in July was a positive reflection of the Council having a good Statement of Accounts and responding well so that the report could be finalised sooner. The Manager, Mazars LLP praised the excellent work of officers for their assistance with the Audit.

In reference to risks relating to the 'Management override of control' and 'Pension Entries', the Manager, Mazars LLP explained that there were no risks found and that there had been no significant matters or significant difficulties encountered in completing the audit.

The Committee also made the following comments:

- The Committee suggested that there had been a housing discrepancy for a number of years that needed addressing. The Chief Finance Officer assured the Committee that there was a highly detailed asset register and agreed to respond directly to Councillors.
- The Committee raised concern that Council properties were being left vacant for a considerable period following the death of a tenant. The Chief Finance Officer agreed to follow this up with the Legal Team.
- The Committee highlighted three asbestos garages in Barlby, and the Chief Finance Officer agreed to investigate the matter.

**RESOLVED:**

- I. **To consider the report.**
- II. **To ask the Chief Finance Officer to follow up with the Legal Team on the vacant period of Council housing following the death of a tenant.**
- III. **To ask the Chief Finance Officer to investigate three asbestos garages in Barlby.**

**13. ANNUAL GOVERNANCE STATEMENT (A/17/12)**

The Committee received the Annual Governance Statement, presented by the Chief Finance Officer, who highlighted that the two actions outlined on page 266 of the report were now fully resolved. These were issues relating to payment of creditors and payroll reconciliation.

**RESOLVED:**

**To approve the Annual Governance Statement.**

**14. STATEMENT OF ACCOUNTS 2016/17 (A/17/13)**

The Committee received the Statement of Accounts, presented by the Chief Finance Officer, who highlighted a variance saving of £411000 which had come from savings in employee and travel costs, housing benefits and higher planning fee income as detailed on page 146 of the report. The Committee approved the Statement of Accounts.

**RESOLVED:**

**To approve the Statement of Accounts.**

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The meeting closed at 6.32 pm.