

# GOVERNANCE, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE MINUTES

## 4 SEPTEMBER 2018

**Chair:** \* Councillor David Perry

**Councillors:** \* Ghazanfar Ali \* Maxine Henson  
\* Peymana Assad \* Amir Moshenson  
\* Philip Benjamin \* Kanti Rabadia

\* Denotes Member present

### 17. Attendance by Reserve Members

**RESOLVED:** To note that there were no Reserve Members in attendance.

### 18. Declarations of Interest

**RESOLVED:** To note that the following interests were declared:

Agenda Item 11 – Information Report – Internal Audit Red Assurance Reports  
Councillor Maxine Henson declared a non-pecuniary interest in that she was an Assistant to the Portfolio Holder for Adults and Public Health. She would remain in the room whilst the matter was considered and voted upon.

### 19. Minutes

**RESOLVED:** That the minutes of the meeting held on 17 July 2018, be taken as read and signed as a correct record.

## **20. Public Questions, Petitions and Deputations**

**RESOLVED:** To note that no public questions, petitions or deputations were received at this meeting.

## **21. References from Council and other Committees/Panels**

**RESOLVED:** To note that no references had been received.

## **RESOLVED ITEMS**

## **22. INFORMATION REPORT - Audit Committee Review**

The Committee received a report which outlined the approach to be taken to the Internal Audit review of the Audit Committee agreed as part of the 2018/19 Internal Audit Plan.

The Head of Internal Audit and Corporate Anti-Fraud introduced the report and informed the Committee that the annual governance review had identified that the Audit Committee role undertaken by the GARMS Committee had not been specifically reviewed against best practice, as contained in CIPFA guidance, for several years.

It was noted that, as part of the review, the Committee would undertake a self-assessment against the CIPFA guidance facilitated by the Head of Internal Audit and Corporate Anti-Fraud. The results would be reported to the next Committee meeting together with a proposed action plan. In addition, a review of the Terms of Reference would be undertaken by the Head of Internal Audit and Corporate Anti-Fraud and the results and any suggested improvements would be submitted to the next meeting.

**RESOLVED:** That the report be noted.

## **23. Annual Audit Letter**

The Committee received a report on the Annual Audit Letter from the Council's external auditors.

The Director of Finance introduced the report with reference to the presentation of the Statement of Accounts by the External Auditors at the last meeting when a view, based on audit work completed, had been given and outstanding items identified. The audit had now been concluded and an unqualified audit opinion on the Financial Statements, Value for Money and the Pension Fund had been confirmed. The Committee was informed that there were no audit recommendations from the 2017/18 audit and that all recommendations from the previous years had been implemented by officers during the financial year and the auditors had no issues to report.

In response to a question the Director of Finance stated that, following confirmation that the review of the consolidation pack to support the

production of Whole of Government by HM Treasury had been completed, the Annual Audit Letter had been published on the Council's website.

The Committee was informed that the officers would be meeting with the new auditors, Mazars, and representatives would be in attendance at the committee to discuss the audit plan.

In response to a question, Members noted that the audit fees were set by Public Sector Audit Appointments (PSAA) and the contract was tendered on a five year basis.

A Member expressed surprise that the final letter did not contain any recommendations given the number of issues reported over the last few years and hoped that this was not a reflection on the three year arrangement with the existing External Auditor coming to an end. He enquired whether the completion of the previous recommendations had been documented. The Director of Finance made reference to the fourteen recommendations made by KPMG in the first year of the contract and four in the second year all of which had been implemented to the auditor's satisfaction. It was agreed that the officers would request more detailed feedback from the auditors.

**RESOLVED:** That the report be noted.

#### **24. Exclusion of the Press Public**

**RESOLVED:** That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
11.	INFORMATION REPORT – Internal Audit Red Assurance	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

#### **25. INFORMATION REPORT - Internal Audit Red Assurance Reports**

The Committee received a report on the final red or red/amber assurance reports undertaken by Internal Audit as part of the 2017/18 Internal Audit Plan and reported at a high level in the Year End Report presented at the last GARMS meeting in July.

The Head of Internal Audit and Corporate Anti-Fraud introduced the report and informed the Committee of the process for a review and a follow up report to reassess assurance. In response to a question it was noted that internal audit identified with management the risks in order to determine what controls should be in place to mitigate the risks. Every review across the Council was assessed using the same methodology. Further Internal Audit red and

red/amber assurance reports and follow up reports would be submitted to the next meeting of the Committee.

The Committee requested the attendance of officers from the reviewed departments at future meetings.

The Committee scrutinised the review reports and made comments and asked questions which were responded to by the officers

**RESOLVED:** That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.25 pm).

(Signed) COUNCILLOR DAVID PERRY  
Chair