

AUDIT AND STANDARDS COMMITTEE

Monday, 11th February, 2019
Time of Commencement: 7.00 pm

Present:-	Councillor Paul Waring – in the Chair
Councillors	S. Dymond, S. Burgess, G. Burnett and B. Panter
Officers	Geoff Durham - Mayor's Secretary / Member Support Officer, Simon Sowerby- Business Improvement Manager and Interim Executive Director - Resources and Support Services - Jan Willis
Also in Attendance	Phil Butters – Keele University Ms Tess Barker-Phillips (Grant Thornton) Councillor Stephen Sweeney – Portfolio Holder for Finance and Efficiency

1. APOLOGIES

There were no apologies.

2. MINUTES OF PREVIOUS MEETINGS

Resolved: That the Minutes of the meeting held on 12 November, 2018 be agreed as a correct record subject to the recording of Councillor Stephen Sweeney, Portfolio Holder for Finance and Efficiency, as being in attendance.

3. DECLARATIONS OF INTEREST

There were no declarations of interest stated.

4. CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2018 (QUARTER 3 (Q3))

Consideration was given to a report informing Members of the progress made by the Council in enhancing and embedding risk management for the period October to December, 2018.

Members were advised that there were no overdue risk reviews. There had been six risk level increases and these were outlined in Appendix A (number 6, 11-14 and 15). There had been no new risks identified and no issues since the last meeting.

With regard to item 9 of Appendix A, the Interim Executive Director of Resource and Support Services, Jan Willis advised Members that a contract had been signed this week for Audit Management/Audit Planning Service. A start had already been made on Audit Planning for next year. The contract would be reviewed on an annual basis.

The Chair asked Members if they felt that Safeguarding training for Members should be made mandatory and all Members were in agreement.

The Chair requested that The Council's Partnerships Manager be contacted to ascertain which Members had undertaken the training and for those who had not, to complete it within six months.

Phil Butters queried the accidental loss of data and whether this should be monitored on an ongoing basis. Members were advised that action had been taken to resolve this.

- Resolved:**
- (i) That point 2.1.1 showing the number of overdue risks be noted.
 - (ii) That point 2.2.1 advising of the risk level increases be noted.
 - (iii) That point 2.2.2 regarding the new risks identified between October and December, 2018 be noted.
 - (iv) That point 2.2.4 be noted.
 - (vi) That Appendix A be noted.
 - (vii) That Safeguarding training be discussed in more detail at the next meeting of the Committee.

5. INTERNAL AUDIT PROGRESS REPORT - QUARTER 3 2018/19

Consideration was given to a report updating Members on the work undertaken by the Internal Audit section during October to December, 2018.

Members were advised that there had been good progress, with six major audits being done in the last quarter.

Members attention was brought to paragraph 2.4 of the report in respect of Payroll where a number of issues had been identified.

The Chair requested that the Committee be kept up to date with the progress made in Payroll.

Resolved: That the information be received and the comments noted.

6. QUARTERLY REPORT : ADOPTION OF INTERNAL AUDIT HIGH RISK RECOMMENDATIONS AND SUMMARY OF ASSURANCE 1 OCTOBER TO 31 DECEMBER 2018

Consideration was given to a report regarding any outstanding high risk recommendations for Quarter 3 – October to December, 2018 and requesting approval to requested actions and target dates. Also to provide Members with an assurance opinion on internal controls.

Members' attention was brought to Appendix A which gave a summary of the Outstanding Audit Recommendations of which there were 61 in total. A more comprehensive list of all of the recommendations was handed out at the meeting.

Members questioned one of the outstanding recommendations which related to Mirefinch – the Council's time management system. There were significant issues

with the way in which it was being used. The Chair stated that more information was required on this to find a way forward.

The Chair also requested that the Members be given an update on the current positions with the outstanding recommendations and their approximate timescales for completion.

- Resolved:**
- (i) That the actions of officers and levels of assurance be noted.
 - (ii) That Members receive an update on the current positions of the outstanding recommendations.

7. ANNUAL CERTIFICATION LETTER 2017-18

Consideration was given to the Annual Certification Work letter for year ending 31 March, 2018.

Tess Barker-Phillips of Grant Thornton advised members of the contents of the letter, drawing members' attention to appendices A and B on page 62 of the agenda.

Resolved: That the information be received.

8. EXTERNAL AUDIT PLAN 2018-19

Ms Tess Barker-Phillips of Grant Thornton explained the External Audit Plan for the year ending 31 March, 2019.

Members' attention was drawn to page 65 of the agenda which gave an overview of what was happening within the Council. Ms Barker-Phillips advised that the significant risks were pretty much the same as last year.

The report also identified significant risks, possible risks, materiality and value for money.

Resolved: That the report be received and the comments noted.

9. INFORMING THE AUDIT RISK ASSESSMENT FOR NEWCASTLE UNDER LYME BOROUGH COUNCIL 2018-19

Ms Barker-Phillips introduced this report, drawing members' attention to the purpose of the report on page 82 of the agenda – to contribute towards effective two way communication.

The report looked at fraud, laws and regulations, going concern, accounting estimates and related parties.

Members were advised that Grant Thornton has no particular concerns in this respect.

Resolved: That the information be received and the comments noted.

10. ARRANGEMENTS WITH STOKE ON TRENT CITY COUNCIL

Members were advised that this had been covered under item six on the agenda. However, Ms Willis confirmed that Stoke on Trent City Council would oversee the Audit Planning Process for this Council. They would also provide overall management and development for our Auditors who would be carrying out the Audit work.

Resolved: That the information be received.

11. URGENT BUSINESS

There was no Urgent Business.

COUNCILLOR PAUL WARING
Chair

Meeting concluded at 7.56 pm