

GOVERNANCE AND AUDIT COMMITTEE

Date: 28 November 2018

Venue: East Northamptonshire House, Cedar Drive, Thrapston

Time: 7.30pm

Present: Councillors: Peter Wathen (Chairman)
Alex Smith (Vice-Chairman)
Rosalie Beattie Dorothy Maxwell
Lance Jones Robin Underwood

External attendees:

Rachel Ashley-Caunt (Head of Internal Audit)

291. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Marika Hillson, Sylvia Hobbs and Sylvia Hughes.

292 MINUTES

The minutes of the meeting held on 19 September 2018 were approved and signed by the Chairman.

293. DECLARATIONS OF INTEREST

No declarations of interest were made.

294. QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3

No questions were submitted under Procedure Rule 10.3.

295. INTERNAL AUDIT – PROGRESS AND PERFORMANCE

The Head of Internal Audit presented a report on progress made on the delivery of the Internal Audit Plan for 2018/19 and associated measures of performance.

Reports had been issued for six assignments and fieldwork was underway or in planning stages for a number of further assignments. No areas of significant risk or control weaknesses had been identified in the work completed to date. Since the last meeting of the Committee, two reports from the Audit Plan had been finalised on the Enterprise Centre and Staff Development and Training Effectiveness. No areas of significant weakness had been identified in either report.

Members noted that for the Local Plan project the assurances were either limited or moderate and noted that it had been suggested at the last meeting that the Head of Planning Services should attend the Committee to discuss the issues. Officers clarified that the draft Local Plan was now out for consultation and as it was an embedded project, Internal Audit would be engaging with it again during the next couple of months, where it was hoped that the outcomes would have improved. If there was no improvement, then it may be more appropriate to invite the Head of Planning Services to attend a future meeting.

RESOLVED:

To note the progress and performance of the Internal Audit Service and the key findings from audits delivered during the period.

(Reason: To review the performance of Internal Audit against the agreed plan and any key findings regarding the council's risk management and control arrangements in accordance with the Public Sector Internal Audit Standards)

296. INTERNAL AUDIT PLANNING 2019/2020

The Head of Internal Audit provided the Committee with an overview of the proposed approach to development of the Internal Audit Plan for 2019/20 and sought the Committee's views on any risk areas where assurance was required.

LGSS had been commissioned to provide 230 days to deliver the Annual Audit Plan and Internal Audit service to the Council in 2019/2020. In order to ensure that the Audit Plan for 2019/2020 addressed the Council's key risks and added value to the organisation, the proposed methodology to identify and prioritise the areas for coverage was outlined.

The resulting draft Internal Audit Plan would be presented to the Committee in March 2019 for review and formal approval. To assist with Members consideration of the Plan, an early draft of the proposed plan would be circulated outside of the meeting in early February 2019.

Members highlighted the impact unitary proposals would have on the Council over the next 18 months and that there would be a need to build in flexibility to the Internal Audit plan and a need to review the Plan on a regular basis. It may be necessary to develop two approaches dependent on future local government arrangements.

RESOLVED:

That the proposed approach to developing the Audit Plan for 2019/20 be agreed.

(Reason: To ensure an effective approach to Internal Audit).

297. PROGRESS ON IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

The Finance Manager presented a report which set out the progress made on implementing recommendations arising from Internal Audit reports. A revised Appendix 1 to the report was tabled.

During the past four months there had been a drive to address all recommendations and significant progress had been made. There was now only five outstanding recommendations and since the last meeting 13 recommendations had been completed and

closed and there had been three new recommendations. At the Committee's meeting in June 2018, 25 outstanding audit recommendations had been reported, with some dating back to 2015/16. Since that time, 27 recommendations had been completed and closed and six new recommendations had been received.

As the number of outstanding recommendations was now down to five, it was proposed that future reporting on them would be through the Internal Audit Progress and Performance report.

RESOLVED:

That the progress against each of the audit recommendations be noted.

(Reason: To review progress on the implementation of recommendations following by Internal Audit)

298. RISK MONITORING UPDATE

The Finance Manager presented a report which provided an update on the Council's risk register for quarter 2 of 2018/19.

Members highlighted risk RM CORP 030 – Failure of Transformation Programme to enable transition into new organisation effectively – as a risk which appeared not be in control and would require monitoring. In response, the Head of Resources explained that the risk was in its early stages and we were not able to identify the risks at this stage but it would evolve over time. CMT would be looking at the risks going forward.

In response to a number of questions about the scoring of the risks, it was suggested that someone could be invited to a future meeting to explain the scoring process. Officers clarified that the scoring was explained within the Corporate Risk Strategy which could be circulated to Members or a refresher session given if needed.

The Chairman highlighted that RM CORP 020 – Failure to meet corporate health and safety requirements including fire risk – could have a high reputational and financial risk to the Council if we were deemed to have been negligent during an incident, and asked for his comments on this matter to be considered.

RESOLVED:

That the current status of risks included in the report for the period July to September 2018 be noted.

(Reason: To ensure the Council has an up to date and effective risk reporting process in place)

Chairman