

GATESHEAD METROPOLITAN BOROUGH COUNCIL
AUDIT AND STANDARDS COMMITTEE MEETING

Monday, 30 January 2017

PRESENT: Councillor H Haran (Chair)
Councillor(s): J Adams, L Green, J McElroy

INDEPENDENT MEMBERS: B Jones

APOLOGIES: Councillor(s): J Green, J McClurey
Independent Member(s): G Clark and J Common

ASC 33 MINUTES AND MATTERS ARISING

The minutes contained a request for details of covenants on the Council's borrowing to be provided to the Committee. It was reported that since the last meeting checks have been undertaken and there are no covenants on the Council's borrowing.

An update on the Council's ICT security measures will also be provided to Committee in due course.

It was also confirmed that a paper will be circulated to the Committee on the Council's Change Programme for information.

RESOLVED: The minutes of the meeting held on 3 October 2016 were approved as a correct record.

ASC 34 DECLARATIONS OF INTEREST

RESOLVED: There were no declarations of interest.

ASC 35 EXTERNAL AUDITOR APPOINTMENTS BEYOND 1 APRIL 2018

The Committee received a report informing of the optional arrangements for the appointment of external auditors for the financial year beginning on 1 April 2018.

The advantages and disadvantages for each of the three options were outlined.

The Committee reviewed the options and commented that Option 3, opting in to a sector led body that will negotiate contracts and make the appointment on behalf of Councils (thus removing the need to setup an Independent Auditor Panel) was the preferred option.

RESOLVED: That the Committee's preference for option 3, as detailed in the report, be reported to the Cabinet at its meeting on 7 February 2017.

ASC 36 **EXTERNAL AUDITOR: ANNUAL AUDIT LETTER 2015/16**

The Committee received a report requesting it to note the external auditor's Annual Audit Letter 2015/16. The Annual Audit Letter, which was appended to the report, provided a summary of the external auditor's work in respect of the: Statement of Accounts; Value for Money conclusion; Future challenges, and; Fees.

The Committee was pleased to be informed that this Council is well ahead of other authorities in respect of presenting its financial statements, having presented them for audit by the end of May 2016, well ahead of the national deadline. Had there been no delay in the receipt of assurance from the pension fund auditor, this Council would have been the only Council in the North East region to have received the external auditor's opinion before the end of July.

Assurance was sought by the Chair and Vice Chair that issues relating to Brexit are being identified and worked through. It was noted that Brexit is being monitored as a trend as part of ongoing work related to the Council's Treasury Strategy and Medium Term Financial Strategy. Colleagues in Corporate Procurement are also monitoring Brexit closely to identify any trends in the cost of goods and services.

It was suggested that the presentation delivered by Gareth Davies, Mazars to CIPFA North East on 29 September 2016 be shared with the Committee as this focused on the Impact of Brexit on Public Services.

RESOLVED: i) That the contents of the Annual Audit Letter be noted.
 ii) That the presentation on the Impact of Brexit on Public Services by Mazars be circulated to the Committee.

ASC 37 **CORPORATE RISK MANAGEMENT 2016/17 QUARTERLY REPORT TO 31 DECEMBER 2016**

The Committee received a report detailing the developments in Corporate Risk Management during the period 1 October 2016 to 31 December 2016.

An Action Plan for the delivery of the Developmental Objectives for 2016/17 was appended to the report. This incorporated details of progress made.

It was reported that the second meeting of the refreshed Risk and Resilience Group has taken place. The work of the group will be used to support ICT Services in ensuring robust disaster recovery systems are in place.

The Council's current Strategic Risk Register was also provided for information.

RESOLVED: That the information be noted.

ASC 38 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of the remaining business in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972.

ASC 39 INTERNAL AUDIT PLAN 2016/17 QUARTERLY MONITORING REPORT TO 31 DECEMBER 2016

A report was presented outlining the progress made by the Internal Audit and Risk Service against the audit plan for the financial year 2016/17 and a proposal to revise the 2016/17 plan on a risk assessed basis to reflect anticipated resources. The report also summarised the main findings arising from audit activity throughout the period 1 October 2016 to 31 December 2016.

A short verbal update was provided on the different approaches being adopted by some Local Authorities in respect of Audit Planning.

RESOLVED: That the information be noted.

Chair.....