

DURHAM COUNTY COUNCIL

At a Meeting of **Audit Committee** held in Committee Room 1A - County Hall, Durham on **Friday 1 June 2018 at 10.00 am**

Present:

Councillor E Bell (Chairman)

Members of the Committee:

Councillors J Rowlandson (Vice-Chairman), C Carr, J Carr and J Shuttleworth

Co-opted Members:

Mr I Rudd and Mr C Robson

1 Apologies for absence

Apologies for absence were received from Councillor J Clark and O Temple.

2 Minutes of the meeting held on 13 March 2018

Resolved:

That the minutes of the meeting held on 13 March 2018 be confirmed as a correct record and signed by the Chairman with the following amendment:

‘The Chairman asked if the *risk* of evaluation or depreciation was flawed in some way....’

3 Declarations of interest, if any

There were no declarations of interest.

4 Draft Annual Governance Statement for the year April 2017 to March 2018

The Committee considered a report of the Corporate Director Resources which sought approval of the draft Annual Governance Statement (AGS) for 2017/18 (for copy see file of Minutes).

Resolved:

- (i) That actions 1 to 8 in appendix C be included in the plan of improvements to strengthen governance arrangements during 2018/19.
- (ii) That the draft Annual Governance Statement to be approved.

5 Internal Audit, Plan, Strategy and Charter 2018/2019

The Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which submitted for approval the revised Internal Audit Strategy, Charter and Plan for 2018/2019 (for copy see file of Minutes).

The Chief Internal Auditor and Corporate Fraud Manager advised that the Internal Audit Charter remained largely the same as that approved by the Audit Committee in June 2017.

Mr Rudd, in referencing the number of planned audit days asked how this compared to the previous year. In response, the Chief Internal Auditor and Corporate Fraud Manager advised that as a result of the team being down by 1 member of staff the plan proposed 100 days less than that carried out during 2017/2018.

Resolved:

- (i) That the Internal Audit Strategy be approved.
- (ii) That the Internal Audit Charter be approved.
- (iii) That the proposed Internal Audit Plan for 2018/19 be approved.

6 Internal Audit Progress Report Quarter Ended 31 March 2018

The Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which informed members of the work carried out by Internal Audit during the period 1 April 2017 to March 2018 as part of the 2017/2018 Internal Audit Plan (for copy see file of Minutes).

The Audit and Fraud Manager highlighted the movements in the plan, removed audits and unplanned reviews added to the plan. The Committee were advised that 99% of the total plan had been delivered, exceeding the target of 90%. There had been 4 audits finalised in the quarter that had been issued a limited assurance opinion. With reference to the survey response rate an average score of 4.6 out of 5 was given from service groupings. The summary of progress on the actions due were highlighted and members were informed that all performance indicators had been achieved.

Resolved:

- (i) That the amendments made to the 2017/2018 Annual Internal Audit Plan, be noted.
- (ii) That the work undertaken by Internal Audit during the period ending 31 March 2018 be noted.
- (iii) That the performance of the Internal Audit Service during the period, be noted.
- (iv) That the progress made by service managers in responding to the work of Internal Audit, be noted.

7 Exclusion of the public

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 2 and 3 of Schedule 12A to the said Act.

8 Internal Audit Progress Report Quarter Ended 31 March 2018

The Committee considered Appendices 6 and 7 of the report of the Chief Internal Auditor and Corporate Fraud Manager which detailed the actions agreed by managers in response to internal audit recommendations that were outstanding (for copy see file of Minutes).

Members were advised that there were four audits finalised in the quarter that had been issued with a limited assurance opinion. In addition, during the period two follow up audits had been completed.

Resolved:

That the report be noted.