



## AUDIT COMMITTEE

24 April 2019

### PRESENT:

#### Directors

George Clark (Chair)  
Robert Buckley  
Brenda Clelland  
Helen Hall

#### Advisers

Neil Bouch	Interim Managing Director
Ian Price	Director of Property and Assets
Marie John	Head of Business and Development
Russell Urwin	Business Risk and Compliance Manager
Deborah Ewart	Head of Housing Support
Craig Oakes	Chief Internal Auditor, Gateshead Council
Lynsey Dawson	Senior Audit and Risk Officer, Gateshead Council
Tara Stonehouse	KPMG
Daniel Gibson	KPMG
Stuart Gibson	Governance and Risk Lead

#### Apologies

Mick Davison

### 1 APPOINTMENT OF DEPUTY CHAIR

RESOLVED – That Helen Hall be appointed as Deputy Chair of the committee until the first meeting after the next Annual General Meeting.

### 2 MINUTES

The minutes of the meeting of the committee held on 24 January 2019 were approved as a correct record, subject to it being noted that Helen Hall chaired this meeting.

### 3 EXTERNAL AUDIT STRATEGY AND PLANNING MEMORANDUM 2019

The external audit strategy and planning memorandum for the financial year ending 31 March 2019, which has been produced by KPMG, the company's external auditors, was submitted.

The committee noted that KPMG did not envisage any issues getting information from other external bodies such as LGPS.

The committee received an explanation of the procedures that were followed by KPMG to assess the development programme and the rationale around only reporting misstatements above £60,000.

The committee was informed that the new laws to improve the safety of tenants was only reported for information and was not part of KPMG's audit.

RESOLVED – That the external audit strategy and planning memorandum for the financial year ending 31 March 2019 be approved.

#### **4 OPERATIONAL RISK REGISTER**

A comprehensive review had been carried out of all operational risks across the organisation.

It was proposed that all the existing operational risks for the customers and communities directorate be deleted and replaced by a suite of seven new operational risks.

In respect of one of these risks which was around excessive levels of vacant properties, the committee agreed that this should be escalated to the strategic risk register. It would be ascertained whether this needed to be a separate strategic risk or whether it could be included in one of the existing strategic risks.

The existing operational risk register for the property and assets directorate had been reviewed and it was proposed that two risks be deleted.

The existing operational risk register for business and development had been reviewed and several deletions and additional risks were proposed.

The new and updated operational risk registers were submitted.

A Compliance Risk Register was currently being developed with the Council and would be brought to the next meeting of the committee.

- RESOLVED –
- (i) That the updated operational risk registers for the Customers & Communities, Property & Assets and Business & Development Directorates be approved.
  - (ii) That the existing risk around excessive levels of vacant properties be escalated to the strategic risk register.
  - (iii) That the committee receive a Compliance Risk Register at its next meeting.

#### **5 2019/20 INTERNAL AUDIT PLAN AND STRATEGY**

The Chief Internal Auditor had produced an Internal Audit Strategy Statement for 2019-22 which included the Annual Plan 2019/20. The plan was based upon a requirement of 225 audit days (1,685 hours).

The Chief Internal Audit considered the 95% target for audit assignments completed against the annual plan to be realistic and should be what the service aspired to achieve.

RESOLVED – That the Internal Audit Plan for 2019/20 be approved.

## **6 2018/19 INTERNAL AUDIT PLAN – END OF YEAR REPORT**

Progress made by the Internal Audit Service against the audit plan for the financial year 2018/19 was reported.

At year end, 17 final reports had been issued, one draft report had been issued and five audits were in progress.

The Chief Internal Auditor explained that there were several factors that had prevented all the audits being completed before year end. However, it was noted that they were all close to completion now and would be presented to the next meeting of the committee.

RESOLVED – That progress against the 2018/19 Internal Audit Plan be noted.

## **7 FORWARD PLAN**

A forward plan of reports which would be presented to this committee during the next year was submitted. The committee would also receive the Compliance Risk Register at its next meeting.

RESOLVED – That the forward plan be noted.

## **8 DATE AND TIME OF MEETINGS 2019/20**

RESOLVED – That the following schedule of meetings of the committee for 2019/20 be approved: -

- Wednesday, 3 July 2019 at 10am
- Wednesday, 16 October 2019 at 10am
- Wednesday, 22 January 2020 at 10am
- Wednesday, 22 April 2020 at 10am

## **9 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 the indicated categories of the company's Access to Information Rules.