

AUDIT COMMITTEE
Tuesday, 14th January 2014

PRESENT – *Councillor Sidat (in the Chair); Riley, Rigby, Khonat, Kay and Browne.*

ALSO PRESENT

Chris Wittingham	– Grant Thornton (District Auditor)
Liz Hall	– Director for Financial Services
Colin Ferguson	– Head of Audit and Assurance
Paul Hankinson	– Audit and Assurance Manager
John Addison	– Principal Scrutiny Officer

RESOLUTIONS

20 Minutes of the meetings held on 24th September 2013

The minutes of the meeting held on 24th September 2013 were agreed as a correct record.

21 Declarations of interest

There were no declarations of interest.

22 External Audit's Annual Audit Letter

The Council's External Auditors presented to Members a report that issued an unqualified audit opinion on the 2012/13 financial statements on the 27th September 2013. It was reported that the financial statements had been prepared to a good standard and did not identify any material errors or uncertainties in the financial statements.

Tabled at the meeting was a copy of External Audits certification report of grants for 2012-2013 for Members information. This would be included on the Committee's next Agenda.

RESOLVED:

That the report on External Audit's Annual Audit Letter be noted.

23 External Audit - 2013/14 Fees Letter

The Council's External Auditors reported to Members The Audit Commission had set its proposed work programme and scales of fees for 2013/14. The letter set out details of the audit fee for the Council along with the scope and timing of External Audits work.

RESOLVED:

That the report on External 2013-2014 fee's Letter be noted.

24 External Audit - Progress Report

The Council's External Auditors provided the Committee with a report on the current position of their work as of January 2014. The report set out in detail the remaining work that needed to be undertaken and a work timetable for the rest of the year.

The External Auditors report also provided the Committee with a report on progress in delivering their responsibilities as the Council's external auditors and a summary of emerging national issues and developments that may be relevant the Council which included a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

RESOLVED:

That the report on External Audit's progress report be noted.

25 External Audit - Fraud Briefing 2013

The External Auditor present to Members a fraud briefing that had been produced for Members by the Audit Commission.

RESOLVED

That the fraud briefing 2013 be noted.

26 Treasury Management Report - September to November 2013

The Director of Finance presented to the Committee a report on the Treasury Management Quarterly report covering the period September 2013 to November 2013.

Members were reminded that the Council formally adopted CIPFA's revised Code of Practice on Treasury Management in the Public Services when they approved the 2013/14 Treasury Management Strategy at Finance Council on the 4th March 2013. The CIPFA Code, Investment Guidance issued by the Department for Communities and Local Government (CLG) and the Audit & Assurance review of Treasury Management activities, all Members recommend an enhanced role for elected Members in scrutinising the Treasury Management function of the Council.

The report summarised the interest rate for the quarter, borrowing and lending transactions undertaken and the Council's overall debt position. It also reported on the position against the Prudential Indicators established by the Council.

RESOLVED

That the Committee agree to note the position with regard to Treasury Management for the three months from September to November 2013.

27 Draft Treasury Management Strategy Report 2014/15

The Director of Finance provided the Committee with the draft Treasury Management Strategy for 2014-15 for consideration, ahead of formal approval as part of the budget setting process.

The report set out in detail a number of key issues that Members needed to be aware of and to take into consideration for any decision they wished to make.

RESOLVED:

That the Committee approve the proposals in the draft Treasury Management Strategy for 2014-15 as appended, prior to it being submitted to the Council for approval on 3rd March 2014..

28 Audit & Assurance - Progress & Outcomes to November 2013

The Audit & Assurance Manager submitted a report which updated the Committee on progress and outcomes against the Audit & Assurance Plan 2013/14 in terms of outcomes achieved for the first quarter of the financial year.

The report focused on a number of key areas in Audit & Assurance, in particular:

- Demand Management
- Government Reform
- IT Resilience
- Staffing/HR
- Risk Management

RESOLVED

That the Committee note;

- 1) The outcomes achieved to 30 November 2013 against the Audit & Assurance Plan, which was approved by Committee on 16 April 2013.
- 2) Approve the proposed revisions to the Audit & Assurance Plan.

29 Annual Governance Statement - Progress on 2012/13 Actions and Action Plan for 2013/14

The Head of Audit & Assurance provided the Committee with a report that outlined the intended process for producing the Council's Annual Governance Statement (AGS) for 2013/2014 and progress on actions from 2012/2013.

Members were reminded that the AGS was a statutory document, published each year with the Year-end Accounting Statements. It sets out what the Council's governance arrangements are and identifies areas where issues that the Council considers to be of sufficient significance must be reported.

Members were informed that a new addendum to support the annual governance statement for 2012/13, published by CIPFA, along with the updated Guidance Note was used in the preparation of the 2012/13 AGS, this assisted the Council in reviewing the governance arrangements in place to ensure that these continued to be adequate and effective.

It was noted that MAF was the cornerstone of the process. The quarterly information and actions provided by Heads of Service and Director exception reports, combined with the Executive Director challenges, in an informal sense provide regular, partial AGSs to the Chief Executive.

It was noted that Directors completed a statement of assurance annually, confirming that they are responsible for reviewing the effectiveness of the governance arrangements, including the system of internal control and risk management processes operating within their Directorate and within the Council as a whole.

The stages for 2013/14 are:

- Circulation of Directors statement of assurance – early March
- Quarter 4 MAF challenges - before the end of April
- MAF Exception report to Executive Team - early May
- Collation and review of other sources of assurance, both external (e.g. from partners, External Audit and OfSted) and internal (e.g. Standards Committee) by Audit & Assurance before consideration by PAG – mid-May
- Consideration of reports by the Primary Assurance Group (PAG) – mid-May

- Production of the draft AGS by PAG for Executive Team to consider – end of May
- Consultation with External Audit – end of May
- Review by Audit Committee – June
- Publication late 2014.

RESOLVED

That the Committee agreed to note the progress to date and the outline plan for the remainder of the year.

30 Risk Management - 2013/14 Quarter 2 Review

The Audit and Assurance Manager provided the Committee with a report that detailed risk management activity that had taken place since the last meeting of the Audit Committee in September 2013.

Members were reminded that the Council recognised that risk management was not simply a compliance issue, but rather a way of viewing its operations with a significant impact on long-term viability. It was noted that the corporate risk register currently had 12 risks attached to it.

RESOLVED:

That the Audit Committee re-affirm their support for the Council’s approach to Risk Management and to note progress made on the Corporate Risk Register as at Quarter 2 2013/14.

Signed
Chair of the meeting at which the Minutes were signed
Date