

AUDIT COMMITTEE
Tuesday, 10th April 2018

PRESENT – *Councillors Sidat (in the Chair); Whittle, McGurk, and Murray.*

ALSO PRESENT

Councillor Andy Kay	-	Executive Member Resources
John Farrar	-	External Auditor
Neil Krajewski	-	External Auditor
Louise Mattinson	-	Director of Finance and IT
Colin Ferguson	-	Head of Audit and Assurance
Phil Llewellyn	-	Governance and Democratic Manager

31. Welcome and Apologies

The Chair welcomed all present to the meeting. Apologies were received from Councillors Jim Casey and David Foster.

32. Minutes of the meeting held on 9th January 2018

The minutes of the meeting held on 9th January 2018 were agreed as a correct record.

33. Declarations of interest

There were no declarations of interest submitted.

34. External Audit – Audit Committee Progress Report and Update Year ended 31st March 2018

The Council's External Auditors reported on progress up to March 2018 and gave a Sector update.

Work had started on planning for the 2017/18 financial statements audit, with an interim audit commencing in February 2018.

The statutory deadline for the issue of the 2017/18 opinion had been brought forward by two months to 31st July 2018. The final accounts audit was due to begin in June 2018, with findings being reported by the earlier deadline of July 2018.

In terms of Value for Money, an initial risk assessment to determine the approach had been undertaken in December 2017 and a Value for Money Conclusion would be given by the deadline in July 2018.

RESOLVED- That the update be noted.

35. External Audit Plan Year Ending 31st March 2018

The External Audit Plan for the Year Ending March 2018 was submitted. The document provided an overview of the planned scope and timing of the statutory audit of the Council for those charged with governance.

The report set out the significant risks identified, as well as reasonably possible risks, and in particular the focus on Value for Money arrangements.

Reference was made to the fact that Neil Krajewski was attending his last meeting before taking up a new position at Fenland District Council. Neil would be replaced by Thilina De Zoysa who would be in attendance at the next meeting.

RESOLVED – That the report be noted.

36. External Audit – Grant Certification work for Year Ended 31st March 2018

Details of the Certification work undertaken by Grant Thornton were submitted to the Committee for the Year Ending 31st March 2018 in terms of the Housing Benefit subsidy claim.

As a result of the errors identified, the claim was qualified and the Council may be required to undertake further work or provide assurances on the errors identified.

Reference was made to a reduction in fee as a result of the reduction in the level of error in 2016/17 compared to the 2014/15 financial year, on which the indicative fee for 2016/17 had been based.

RESOLVED- That the report be noted.

37. Treasury Management Report – December 2017 to February 2018

The Director of Finance & IT provided the Committee a report on the Treasury Management Quarterly report covering the period December 2017 to February 2018.

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 2017/18 Treasury Management Strategy at Finance Council in February 2017 (and reviewed in October 2017). 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 environment for three months, 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:

- 1) Treasury Management position over the quarter from December 2017 to February 2018 be noted; and
- 2) That it be noted that as interest rates had started to move, it may be necessary to enter into longer term loans and as such, these may be at higher rates than those originally estimated for 2018/19.

38. Audit & Assurance–Progress & Outcomes to February 2018

The Head of Audit & Assurance submitted a report which updated the Committee on achievements and progress made by Audit & Assurance in the period from 1st December 2017 to 28th February 2018.

The report focused on a number of key areas in Audit & Assurance Plan, in particular Counter Fraud Activity and Internal Audit work and performance.

Members of the Committee discussed the report and the sought clarification on the National Fraud initiative in relation to the Council Tax Single Persons Discount and data matches, and were advised that this area would be looked at as a thematic review.

RESOLVED - That the Committee note the outcomes achieved to 28th February 2018 against the Audit & Assurance Plan, which was approved by Committee in April 2017.

39. Audit and Assurance Plan 2018/19

The Head of Audit & Assurance submitted a report which informed Members of the planned Audit & Assurance work for the forthcoming year.

RESOLVED – That the Committee:

- Approve the 2018/19 Plan (as set out in Appendices 1 and 2 of the report submitted);

- Notes that reports dealing with both progress against the Plan and outcomes achieved will be submitted to each meeting; and
- Notes that Plan changes will be reported during the year.

40. Risk Management – 2017/18 Quarter 3 Review

The Head of Audit and Assurance provided the Committee with a report which detailed the risk management activity that had taken place in the period from 1st October to 31st December 2017.

Members were reminded that the top corporate risk remained the same as in the previous quarter, Corporate Risk 14, a high profile serious/critical safeguarding incident occurring relating to an individual known to the Council.

RESOLVED – That the progress made on the Corporate Risk Register at the end of Quarter 3 2017/18 and risk management activity in the period be noted.

41. Response to the External Auditor’s request for information on how the Audit & Governance Committee gains assurance from management

The Committee was asked to consider a response to a letter from the Council’s external auditor asking how the Audit & Governance Committee gained assurance from management, over financial management and governance processes and arrangements.

A proposed response from the from the Committee was attached at Appendix 2.

RESOLVED – That the response attached at Appendix 2 of the report be approved.

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