

**ACCOUNTS, AUDIT & GOVERNANCE COMMITTEE
25TH SEPTEMBER 2014**

Present: Councillors: John Bailey, Roy Cornell, Leonard Crosbie,
Gordon Lindsay (Vice Chairman), Jim Rae, Stuart Ritchie

Apologies: Councillor David Holmes (Chairman)

Also present: Paul King, District Auditor, Ernst & Young

AAG/17 **MINUTES**

The minutes of the meeting held on 26th June 2014 were approved as a correct record and signed by the Vice Chairman.

AAG/18 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

AAG/19 **ANNOUNCEMENTS**

There were no announcements.

AAG/20 **AUDIT RESULTS REPORT FOR THE YEAR ENDING 31ST MARCH 2014**

Paul King, District Auditor from Ernst & Young, presented the Audit Results Report for 2013/14. He explained that there was only one item of note: a corrected misstatement relating to the classification of a provision but that this did not affect the net worth of the authority.

The Auditor advised that the audit is now complete and the Whole of Government Accounts 2013/14 audit should be complete by 26th September 2014. He anticipated an unqualified audit opinion and conclusion that the Council had made proper arrangements to ensure economy, efficiency and effectiveness of its resources. It was noted that the Auditors had received no questions or objections from members of the public.

It was also noted that the actual audit fee was in line with the audit plan.

The Committee thanked the Council's Finance staff for their outstanding work which resulted in such a good Audit Results Report.

RESOLVED

That the report be noted.

AAG/21 **LETTER OF REPRESENTATION 2013/14**

The Director of Corporate Resources submitted the letter of representation to the External Auditor to Committee for approval.

RESOLVED

That the Letter of Representation be approved and signed by the Director of Corporate Resources and the Vice-Chairman of the Committee.

AAG/22 **STATEMENT OF ACCOUNTS 2013/14**

Statements were presented for 2013/14 on which the District Auditor anticipated issuing an unqualified opinion.

It was commented that Members had had the opportunity to discuss the accounts and ask questions at a workshop held prior to the Committee.

RESOLVED

That the 2013/14 Statement of Accounts be approved.

REASON

There is a statutory duty for the Council to approve the Statement of Accounts each year.

AAG/23 **ANNUAL GOVERNANCE STATEMENT**

The Committee was asked to approve the Annual Governance Statement 2013/14. The Director of Corporate Resources advised that following discussion with the Chairman of the Committee three additional actions numbered 6, 7 and 8 had been included within the action plan since the version presented in June 2014.

RESOLVED

That the Annual Governance Statement for 2013/14 be approved.

REASON

There is a statutory duty for the Council to approve the Annual Governance Statement each year.

AAG/24 **TREASURY MANAGEMENT ACTIVITY AND PRUDENTIAL INDICATORS 2013/14**

The Head of Finance presented a report on treasury management activity and prudential indicators for 2013/14.

The report confirmed that, during 2013/14, the Council had complied with its legislative and regulatory requirements and the statutory borrowing limit (the Authorised Limit) had not been breached.

The report contained details of the Council's external debt and investments and reviewed the economic background to Treasury Management activity in 2013/14.

RESOLVED

- (i) That the treasury management stewardship report for 2013/14 be noted.
- (ii) That the actual prudential indicators for 2013/14 be noted.

REASON

The annual treasury report is a requirement of the Council's reporting procedures. The report also covers the actual Prudential Indicators for 2013/14 in accordance with the requirements of the relevant CIPFA Codes of Practice.

AAG/25 **INTERNAL AUDIT – QUARTERLY UPDATE REPORT**

The Chief Internal Auditor submitted a report summarising the work of the Internal Audit Department since June 2014.

Four audits have been completed in the period with three being given substantial assurance and one moderate. The audit that received moderate assurance reviewed training and the Chief Internal Auditor commented that this was due to the fact that not all training was being requested and recorded via the training forms. There was also limited induction training for new members of staff. The Vice-Chairman requested that Internal Audit make it clear to managers that it is their responsibility to ensure that the correct training forms are completed as required.

RESOLVED

That the summary of audit work undertaken since June 2014 be noted.

AAG/25 Internal Audit – Quarterly Update Report (cont.)

REASONS

- (i) To comply with the requirements set out in the Public Sector Internal Audit Standards 2013.
- (ii) The Committee is responsible for reviewing the effectiveness of the Council's system of internal control.

AAG/26 **RISK MANAGEMENT – QUARTERLY UPDATE REPORT**

The Director of Corporate Resources presented the latest quarterly update in respect of the Corporate Risk Register which had been reviewed by SLT in September. It includes the high level corporate risk items.

Members commented that it would be easier to understand if provided in colour and printed as landscape.

RESOLVED

That the updated Corporate Risk Register be noted.

REASON

To ensure that the Council has adequate risk management arrangements in place.

AAG/27 **URGENT MATTERS**

There were no urgent matters to be considered.

AAG/28 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED

That, under Section 100A(2) of the Local Government Act 1972, the press and 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 Part I of Schedule 12A of the Act, by virtue of the paragraph specified against each item, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

AAG/29 **INTERNAL AUDIT – QUARTERLY UPDATE REPORT ON AUDIT
FOLLOW UPS (PARAGRAPH 3)**

The Committee considered the detailed information submitted concerning the implementation of agreed actions arising from internal audit reports.

RESOLVED

- (i) That the progress of agreed actions implemented since June 2014 be noted.
- (ii) That areas of concern highlighted by the Chief Internal Auditor be noted.

The meeting finished at 6.45 p.m. having commenced at 5.30 p.m.

CHAIRMAN