

ACCOUNTS, AUDIT & GOVERNANCE COMMITTEE
23rd SEPTEMBER 2015

Present: Councillors: Stuart Ritchie (Vice-Chairman), Paul Clarke, Brian Donnelly, Ian Howard, Adrian Lee, Paul Marshall

Apologies: Councillor: Godfrey Newman (Chairman)

Also present: Councillors: Leonard Crosbie, Christian Mitchell
Paul King, Audit Director, Ernst & Young
Hannah Lill, Manager, Ernst & Young
Katharine Eberhart, Director of Corporate Resources
Dominic Bradley, Head of Finance
Emma Thomas, Corporate Accountant
Paul Miller, Chief Internal Auditor
Julian Olszowka, Group Accountant (Technical)

AAG/18 **MINUTES**

The minutes of the meeting held on 23rd June 2015 were approved as a correct record and signed by the Chairman.

AAG/19 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

AAG/20 **ANNOUNCEMENTS**

There were no announcements.

AAG/21 **AUDIT RESULTS REPORT FOR THE YEAR ENDING 31ST MARCH 2015**

Paul King, Audit Director, Ernst & Young, presented the Audit Results Report for 2014/15. He indicated that he anticipated issuing an unqualified audit opinion on the Council's financial statements. He also noted that the statements were of good quality and had been prepared in a timely fashion with good supporting working papers.

The Auditor also anticipated issuing an unqualified value for money opinion and acknowledged the significant scale of the financial challenge faced by the Council in the near future. 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.

RESOLVED

That the report be noted.

AAG/22 **LETTER OF REPRESENTATION 2014/15**

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 Chairman of the Committee.

AAG/23 **STATEMENT OF ACCOUNTS 2014/15**

The Director of Corporate Resources presented the Statement of Accounts 2014/15, on which the External Auditor anticipated issuing an unqualified audit opinion.

Members of the Committee had had the opportunity to discuss the accounts and raise any questions or issues at a recent workshop.

RESOLVED

That the 2014/15 Statement of Accounts be approved.

REASON

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

AAG/24 **ANNUAL GOVERNANCE STATEMENT 2014/15**

The Director of Corporate Resources reported that the Accounts and Audit (England) Regulations 2011 required the Council to review, at least once a year, the effectiveness of its governance arrangements and to publish an Annual Governance Statement. The draft Statement had been considered at the last meeting of the Committee, when Members had been invited to submit any comments to the Director of Corporate Resources (Minute No. AAG/13 (23.6.15) refers).

The review included information and assurance gathering processes to ensure that the published Annual Governance Statement was correct, as well as a review of the Council's Governance framework against the best practice framework devised by CIPFA/SOLACE.

The aim of the review process was to ensure that the Council had effective governance, risk management and internal control processes in place to

AAG/24 Annual Governance Statement 2014/15 (cont.)

assist with accountability and the delivery of objectives. Additionally, the review process identified any shortfalls in these arrangements to enable them to be addressed.

RESOLVED

That the Annual Governance Statement for 2014/15 be approved.

REASON

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

AAG/25 **TREASURY MANAGEMENT ACTIVITY AND PRUDENTIAL INDICATORS 2014/15**

The Director of Corporate Resources presented a report on treasury management activity and prudential indicators for 2014/15.

The report confirmed that, during 2014/15, 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 debts and investments and reviewed the economic background to Treasury Management activity in 2014/15.

RESOLVED

- (i) That the treasury management stewardship report for 2014/15 be noted.
- (ii) That the actual prudential indicators for 2014/15 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 2014/15 in accordance with the requirements of the relevant CIPFA Codes of Practice.

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

The Director of Corporate Resources presented the latest quarterly update of the Corporate Risk Register.

The Senior Leadership Team had reviewed all outstanding actions on the corporate risk register and updated the comments to reflect the current position for each risk.

RESOLVED

That the report be noted.

REASON

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

AAG/27 **INTERNAL AUDIT – QUARTERLY UPDATE REPORT**

The Chief Internal Auditor submitted a report summarising the work of the Internal Audit Section since June 2015.

A summary of audit findings in respect of Fuel Cards (which had achieved an overall audit opinion of satisfactory assurance); and Staff Loans and BACS (limited assurance) was submitted.

It was noted that the audit plan for 2015/16 was currently on schedule.

RESOLVED

That the summary of audit work undertaken since June 2015 be noted.

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/28 **URGENT MATTERS**

There were no urgent matters to be considered.

AAG/29 **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/30 **INTERNAL AUDIT – QUARTERLY UPDATE REPORT ON AUDIT FOLLOW UPS (PARAGRAPH 3)**

The Chief Internal Auditor submitted a report summarising progress since June 2015 on the implementation of actions in respect of audits undertaken in 2015/16, 2014/15, 2013/14 and 2012/13.

It was noted that the number of agreed actions outstanding had reduced considerably since the last report.

RESOLVED

- (i) That progress in terms of agreed actions implemented since June 2015 be noted.
- (ii) That the position in respect of the specific areas highlighted by the Chief Internal Auditor be noted.

RESOLVED

The Committee is responsible for reviewing the effectiveness of the Council's system of internal control.

The meeting finished at 7.12pm having commenced at 5.30pm.

CHAIRMAN