

Audit Committee – 18 September 2014

Minutes of the meeting of the **Audit Committee** held on **18 September 2014** when there were present:-

Chairman: Cllr Mrs J A Mockford

Cllr B T Hazlewood
Cllr D Merrick
Cllr Mrs M H Spencer

Cllr D J Sperring
Cllr Mrs B J Wilkins

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Mrs L A Butcher, Mrs A V Hale, N J Hookway and Mrs C M Mason.

SUBSTITUTES

Cllr Mrs D Hoy

OFFICERS PRESENT

Y Woodward	- Head of Finance
J Raveendran	- Principal Accountant
T Metcalf	- Audit and Performance Manager
J Kevany	- Principal Auditor
S Worthington	- Committee Administrator

ALSO PRESENT

R Bint	- BDO
B Pryke	- BDO

189 MINUTES

The Minutes of the meeting held on 18 June 2014 were approved as a correct record and signed by the Chairman.

190 FINANCIAL STATEMENTS 2013/14

The Committee considered the report of the Head of Finance presenting the audited accounts for 2013/14 for Members' approval.

Responding to a Member question as to why the Agenda for this meeting had not been circulated, as stipulated in the Council's Constitution, five clear days before the meeting, officers confirmed that the Agenda had been circulated within the required timescale, despite the date of the Committee meeting having been brought forward by two weeks.

Resolved

- (1) That the financial statements be approved and signed by the Chairman.
- (2) That the movement in earmarked reserves be noted. (HF)

191 EXTERNAL AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE

The Committee considered the report of the Head of Finance on the external auditors' report on the results of their audit of the Council's financial statements for 2013/14.

Copies of a revised appendix II to the external audit report were circulated to the Committee.

During debate of the unadjusted audit differences that had been identified by the external auditors it was noted that there were not a great number involved and the majority related to errors around year end, with amounts accrued in the wrong financial year.

Responding to a Member concern relating to such individual errors totalling a large amount, officers advised that these related to the 2012/13 Accounts, but because they affected the 2013/14 financial year, they were repeated in the external auditors' report. It was also noted, with respect to orders raised on the Marketplace system for estimated amounts for which invoices were subsequently received for different amounts, there were instances of departments not advising Finance that these were final amounts, at which point orders should have been receipted and closed. Procedures had subsequently been reviewed to prevent any reoccurrences.

Officers emphasised, in response to concerns expressed by Members about the inflexibility of Marketplace, such that amounts could not be amended on raised orders, that this would be followed up, as it was possible that security features that were switched on within the system could be responsible for this. Officers stressed that there had been no instances of invoices being paid twice. Procedures had been put in place to ensure that rigorous checks of Marketplace were undertaken at year end.

In response to a Member question relating to the misstatement relating to the South Street depot, officers confirmed that this was as a result of a re-evaluation of this asset in the context of flooding; it was the only Council asset that had had to be written down in valuation.

Resolved

- (1) That the report be noted and that implementation of any action plans be reported through the audit process.

- (2) That the Chairman of the Audit Committee can sign the statement, as outlined in this report. (HF)

192 PUBLIC SECTOR INTERNAL AUDIT STANDARDS QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Committee considered the report of the Head of Finance asking Members to agree the outcome of the 2014 review of the Public Sector Internal Audit Standards.

Resolved

- (1) That the outcome of the 2014 review of the Public Sector Internal Audit Standards be agreed.
- (2) That the renewal of the Audit Charter for 2014/15 be agreed. (HF)

193 REVIEW OF THE COUNCIL'S CORPORATE RISK REGISTER 2014/15

The Committee considered the report of the Head of Finance providing a review and update on the Council's corporate risk register for 2014/15 for Members' consideration and approval.

Resolved

That the updated corporate risk register for 2014/15 be approved. (HF)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for the remaining item of business on the grounds that exempt information, as detailed in paragraph 3 of Part 1 of the Local Government Act 1972, would be disclosed.

194 AUDIT REPORT

The Committee considered the exempt report of the Head of Finance drawing Members' attention to completed audit investigation and providing an update of audit recommendations.

In response to a Member question relating to the reporting of potential fraud, officers advised that there were throughout the Council comprehensive service risk registers, which were reviewed regularly.

Resolved

That the conclusions and results from the audit engagements in appendix 2 be agreed. (HF)

The meeting closed at 8.30 pm.

Chairman

Date

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