

Audit Committee – 23 September 2015

Minutes of the meeting of the **Audit Committee** held on **23 September 2015** when there were present:-

Chairman: Cllr Mrs J A Mockford
Vice-Chairman: Cllr Mrs L A Butcher

Cllr J R F Mason
Cllr Mrs M H Spencer

Cllr D J Sperring

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs C I Black, Mrs A V Hale, N J Hookway and D Merrick.

OFFICERS PRESENT

D Murray	-	Section 151 Officer
J Raveendran	-	Principal Accountant
M Power	-	Committee Administrator

ALSO PRESENT

B Pryke – BDO
D Eagles - BDO

189 MINUTES

The Minutes of the meeting held on 17 June 2015 were approved as a correct record and signed by the Chairman.

190 EXTERNAL AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE

The Committee considered the report of the Section 151 Officer on the external auditors' report on the results of their audit of the Council's financial statements for 2014/15.

In response to a Member question about grant income that had been incorrectly classified on the Income & Expenditure, it was advised that classification errors have nil impact on the Council's Income & Expenditure. The Council missed the 30 June deadline for providing auditors with draft financial statements by one week. This did not have any impact on the commencement of the annual audit or to the cost. The Council is on target to meet the 30 September deadline for the conclusion and publication of the Financial Statements. It was noted that from the 2017/18 financial year the deadline for submission of draft financial statements would be brought forward from 30 June to 31 May. The Council will have to ensure the capacity to meet this deadline.

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The Section 151 Officer advised that a project team would be set up to review accounting processes and draw up an Action Plan, which would include processes to be followed to ensure deadlines are met. The project team would report to the Audit Committee when the Action Plan had been completed.

Responding to Member concern relating to an instance where there had been shortcomings in the monitoring process of one of the smaller contracts, the Section 151 Officer advised that a review of the contract procedure would be undertaken. Management recognise the importance and benefits of effective contract management and have started to realign or commission resources which will work collaboratively to enhance this function. Processes as recommended by auditors will be enhanced and risk based methodology applied.

This procedure would ensure that all contracts, small or large, would be monitored in appropriate way. The work carried out would be shared with the Audit Committee.

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 the report.

191 FINANCIAL STATEMENTS 2014/15

The Committee considered the report of the Section 151 Officer presenting the audited accounts for 2014/15 for Members' approval.

In addition to the highlights of the financial performance for 2014/15, it was mentioned that the Council took the option to pay its pension deficit based on triennial actuarial valuation. The amount paid was £1.9m. The payment of £1.9m was made possible by borrowing £374,000 from earmarked reserves and out of other savings and additional funding income received. It is expected to generate a savings of £67,000. In responding to a member question on audit processes of the Financial Statements presented to the Audit Committee, the external auditors and Section 151 Officer gave assurances with regard to processes gone through before presenting it to the Audit Committee.

The audited accounts for 2014/15 will be available on the Council's website.

Resolved

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

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.

192 AUDIT REPORT

The Committee considered the exempt report of the Assistant Director, Legal Services drawing Members' attention to completed audit investigation and providing an update of audit recommendations.

In response to a Member question, the Section 151 Officer advised that a review of the audit programme undertaken by the Internal Audit team was planned.

Resolved

That the conclusions and results from the audit engagements in Appendices 2 and 3 be agreed.

The meeting closed at 8.40 pm.

Chairman

Date

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