

# Minutes

of the Meeting of the

## Audit Committee

**Tuesday, 1st December 2015**

held at the Town Hall, Weston-super-Mare, Somerset.

Meeting Commenced: 3pm

Meeting Concluded: 5.55pm

### Councillors:

P Mary Blatchford (Chairman)

P David Jolley (Vice-Chairman)

P Bob Garner

P Derek Mead

P Marcia Pepperall

### Independent Members:

P Beverley Robertshaw

P Tony Roche

P: Present

A: Apologies for absence submitted

**Officers in attendance:** Richard Blows (Corporate Services), Peter Cann (Audit West), Julia Parkes (Corporate Services), Mark Roddan (Corporate Services), Heather Sanders (Corporate Services), Mel Watts (Corporate Services), Tammy Weekes (Audit West), Jeff Wring (Audit West)

**Also in attendance:** Peter Barber and Stephen Ballard (Grant Thornton)

### **AUD    Declarations of Disclosable Pecuniary Interest (Agenda item 3)**

**9**

None.

### **AUD    Minutes of the Meeting held on 10 September 2015 (Agenda item 4)**

**10**

**Resolved:** that the minutes of the meeting be approved as a correct record.

### **AUD    Treasury Management Mid-Year Report (Agenda item 6)**

**11**

The Head of Finance & Property presented a report. The Chairman ruled that the report be considered as urgent as it reflected in-year performance alongside a reference in the report to the S151 Officer approving an amendment to the current strategy in order to allow investments to be made in property funds: consideration of the item could not therefore be delayed to the following meeting as this would not allow any member scrutiny of the decision.

A representative of the Head of Finance & Property outlined the report which set out the Treasury Management activities during the period 01 April-31 October 2015, including investment activity, investment interest budgets, a review of the investment strategy, long-term borrowing and treasury management indicators. The report invited the Audit Committee to note the report and to consider any comments it might wish to pass on to the Executive. The Corporate Accountancy Manager then responded to Members' questions and queries regarding fluctuations in investment markets; the decision to place £5m in the Local Authorities Property Fund managed by the CCLA; whether the revised investment strategy reflected an increase in the Council's appetite for risk; and the impact of interest rate fluctuations on the Council's long-term borrowing.

**Resolved:** that the report be noted.

**AUD  
12**      **Risk Management (Agenda item 7)**

The Head of Audit West presented a report on key corporate risks, circulating a paper detailing the most significant risks facing the Council.

The Committee then received a presentations from the Council's Head of Strategic Procurement following which Members discussed the difficulties associated with ensuring compliance; opportunities for supporting the local economy; and timescales for implementation of the strategy.

The Committee then received a presentation from the Transformation Manager and Members noted that the Council's corporate overview and scrutiny panel was tasked with monitoring progress with implementation of the transformation programme and that the Audit Committee would review the overall framework and risk on an annual basis.

The Head of Audit West then responded to Members' questions including whether mitigation costs were ever quantified and whether the risks faced by NSC were common to other local authorities. Members discussed whether to hold a workshop on the risk management framework, however one of the Independent Members suggested that interviewing the officers concerned might provide opportunities for more informed discussion.

**AUD  
13**      **External Audit (Agenda item 11)**

The Committee considered reports submitted by the External Auditor regarding the Annual Audit Letter and Audit Committee update. Peter Barber presented the reports on behalf of Grant Thornton, giving a verbal update on progress where appropriate.

**Resolved:** that the reports be noted.

**AUD  
14**      **Internal Audit Assurance Plan 2015/16 (Agenda item 8)**

The Audit Manager presented a report outlining the progress with delivery of the Annual Audit Plan. The report summarised performance during the period April-September 2015. The Audit Manager and Audit Team Leader

then responded to Members' questions and queries regarding the partnership working arrangements with Bath & North East Somerset and the differing approach to investigations and whistleblowing within each Council, advising that a 'best of both' methodology had been adopted.

**Resolved:** that progress in delivery of the 2015/16 Annual Audit Assurance Plan be noted.

**AUD 15 Draft Audit Plan Methodology (Agenda item 9)**

The Head of Audit West presented a report which updated the Committee on the development of a revised methodology that would be introduced in stages over the forthcoming year. The Head of Audit West then responded to Members' questions and queries regarding introduction of the new process, including audit areas; and materiality thresholds. The Committee noted that an effective Audit Plan helped prevent fraud and avoid supplementary External Audit fees. Responding to a Member's question about grant certification the Head of Audit West told the Committee about the possibility of Audit West carrying out this type of work in the future.

**Resolved:** that the report be noted.

**AUD 16 Counter Fraud (Agenda item 10)**

The Committee considered a report outlining progress in implementing the Council's Counter Fraud Strategy 2013-15 through the 2015-16 Counter Fraud Improvement Plan and set out the NSC/B&NES Joint Counter Fraud Action Plan 2015-16. The Audit Team Leader responded to Members' questions and queries.

**Resolved:** that the report be noted.

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Chairman

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