



Minutes

of the Meeting of the

Audit Committee

Thursday, 1st December 2016

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

Meeting Commenced: 2.15pm* Meeting Concluded: 4.40pm

* At the outset an insufficiency of Members were present to enable the Committee to conduct the formal business of the meeting; those Members present received a presentation on the Council's Strategic Procurement function, with the meeting becoming quorate at 2.40pm on the arrival of the Chairman.

Councillors:

P Mary Blatchford (Chairman)

A David Jolley (Vice-Chairman)

P Peter Burden (substitute for David Jolley)

A Bob Garner

P Derek Mead

P Marcia Pepperall

Independent Members:

P Beverley Robertshaw

P Tony Roche

P: Present

A: Apologies for absence submitted

Also in attendance: Peter Barber and Kevin Henderson of Grant Thornton

Officers in attendance: James Bidwell (Corporate Services), Richard Blows (Corporate Services), Peter Cann (Audit West), Mark Roddan (Corporate Services), Heather Sanders (Corporate Services), Melanie Watts (Corporate Services), Jeff Wring (Audit West)

AUD Risk Management Update (Agenda item 6)

8

The Head of Audit West presented a report on the register of Corporate Risks. Having previously identified a need to review the risks associated with the Transformation Programme and with Procurement & Contract Management, the Committee now received presentations on these two areas of interest, as follows:

The Head of Strategic Procurement outlined the long-term goals and key elements of the Procurement Strategy, the short-term objectives as well as risks to delivery and the role of the Strategic Procurement team in supporting

the Budget Challenge. The Head of Strategic Procurement then responded to Members' questions and queries regarding the following:

The value of contracts not within effective internal control and the timescales for correcting this;

The extent of Internal Audit involvement in development of the procurement strategy;

Reputational risk and the measures available for addressing any emerging risks.

At this juncture the meeting became quorate.

The Head of the Transformation Programme outlined the programme objectives, current priorities & challenges and the priorities & risks for the programme in 2017.

Responding to a comment about the need for a clear understanding of the role of scrutiny in the oversight of Transformation Programme projects the Chairman advised that all Elected Members of the Audit Committee served on a scrutiny panel and were tasked with reporting back any concerns. At the request of the Chairman the Head of the Transformation Programme undertook to circulate a breakdown of Transformation projects to members of the Audit Committee. Members also asked about time-lines for programme objectives and for further information regarding performance management.

The Chairman thanked the Heads of Strategic Procurement and the Transformation Programme for their presentations.

AUD 9 Declaration of Disclosable Pecuniary Interest (Agenda item 3)

None.

AUD 10 Minutes of the Meeting held on 07 September 2016 (Agenda item 4)

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

AUD 11 External Auditors (Agenda item 7)

The Committee considered a report submitted by Grant Thornton regarding the Annual Audit Letter, together with a progress report and update on work undertaken for the year ending March 2017. Members noted the general update on sector issues & developments and a technical update on accounting and audit issues.

AUD 12 Annual Accounts Process (Agenda item 8)

The Head of Finance & Property reported on modified requirements for the publication and approval of the Statement of Accounts. The Committee noted the impact of 'faster closing' on the annual accounts process and the proposed timetable for the 2016/17 financial year. Members also noted the proposal to delegate approval of the Annual Statement of Accounts to the Audit Committee with effect from September 2017.

Referring to the proposed delegation to the Audit Committee a member commented on the quality of the reviews undertaken to date, observing that implicit in the proposal was an acceptance of the Audit Committee's capability to carry out this function on the Council's behalf.

Responding to a point about the compressed timetable for closure, the Head of Corporate Accountancy confirmed that the programme would allow sufficient time for the Audit Committee to scrutinise the audited accounts prior to approving these by the new deadline.

Resolved: that the report be noted.

AUD 13 Mid-Year Treasury Management Strategy 2016-17 (Agenda item 9)

The Head of Finance & Property reported on treasury management activities and on draft proposals for inclusion within the Treasury Management Strategy for the 2017/18 financial year.

Members noted the mid-year balances for investments and borrowing as at the end of September 2016 and the activities that had occurred during the first half of the year; the operational flexibilities within the current strategy and associated financial implications; and the proposed changes to the Council's investment strategy.

The Head of Corporate Accountancy and Project Accountant (Treasury) responded to Members' questions and queries regarding the implications of 'Brexit' on capital financing and whether there were any limitations on the amount of capital 'at risk'.

Resolved: that the report be noted.

AUD 14 Annual Audit Assurance Plan 2016/17 (Agenda item 10)

The Audit Manager updated the Committee on progress in delivering the 2016/17 Annual Audit Assurance Plan. Responding to a question about the implementation of Internal Audit recommendations, he undertook to include a section in the Annual Report on any recommendations that might be useful in highlighting particular risks.

Resolved: that the report be noted.

Chairman
