

Minutes

of the Meeting of the

Audit Committee

Thursday, 30th March 2017

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

Meeting Commenced: 3pm

Meeting Concluded: 5.05pm

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: Shauni Brocklesby (Corporate Services), Peter Cann (Audit West), Malcolm Coe (Corporate Services), Heather Sanders (Corporate Services), Jeff Wring (Audit West)

Also in attendance: Peter Barber (Grant Thornton)

AUD 15 Declaration of Disclosable Pecuniary Interest (Agenda item 3)

None.

AUD 16 Minutes of the Meeting held on 01 December 2016 (Agenda 4)

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

AUD 17 Treasury Management Strategy (Agenda 6)

The Head of Finance & Property presented his report to the recent Executive Meeting regarding the treasury management strategy for 2017/18. He highlighted the key elements within the report including current & expected treasury portfolios, the annual investment strategy; the annual borrowing strategy and other treasury management matters. He then responded to questions regarding investment in pooled funds and mixed asset funds.

Resolved: that the report be noted.

**AUD
18** **External Audit (Agenda 7)**

Peter Barber reported on the following matters:

Grant Certification - work undertaken by the Council's External Auditors in respect of major grant returns, which provided assurance to grant-paying bodies that claims for grants and subsidies were made properly. Reporting that the Council had appropriate arrangements in place and that no qualification was necessary Peter commented on the very positive audit; 2015/16 Fees - this reflected the amount of work required to certify the claims and returns for that year. Members noted that there would be no variation from the indicative fee;

Audit Plan - outlining work undertaken in relation to the financial statements for the year ending 31 March 2017. Responding to a question about materiality Peter told the Committee that this had to be proportionate and was based on 2% of the gross revenue expenditure of the Council, adding that efforts would be focussed on those risk areas identified ;

Value for money (VfM) conclusion –this outlined the work propose arising from an initial risk assessment. Members noted that the results of the VfM audit work would be reported via the Audit Findings Report to be presented at the Committee's September meeting and in the Annual Audit Letter issued in October;

Progress report and update for the period – this paper outlined progress with the 2016/17 work at 31 March 2017, as well as sector developments. and emerging issues.

Peter and Malcolm Coe then responded to Members' questions regarding the planned contract for appointment of external auditors, measures of Council performance, commercialisation initiatives, maximisation of income streams and opportunities for sharing best practice.

Resolved: that the reports be noted.

**AUD
19** **Audit & Assurance Annual Report 2016-17 (Agenda 8)**

The Audit Manager presented the annual report to the Audit Committee on the Audit Plan & Assurance Plan 2016-17, outlining the work undertaken by the Internal Audit Service during the financial year to the end of March 17. The report included a summary of audit performance and key issues and the formal opinion on the internal control framework. The Audit Manager and Head of Audit West responded to questions about levels of assurance and the percentage of resources taken up on non-audit work. Members questioned whether the Transformation Programme tracker reporting tool had been fully implemented and the Audit manager stated that a review of Transformation and Project Management would be followed up during 2017-18. It was also noted that the Members' Code of Conduct would be updated in May to take account of acceptable procedures and values for the receipt of gifts and hospitality and a register for declarations.

Resolved: that the report be noted.

AUD 20 Audit & Assurance Plan 2017-18 (Agenda 9)

The Head of Audit West presented a report on the Annual Audit and Assurance Plan 2017-18, which would form the principal work of the Internal Audit Service for the financial year 2017-18. Members commented on the joint working arrangements lessening the impact of reduced resources.

Resolved: that the draft Audit & Assurance Plan 2017-18 be approved.

AUD 21 Counter Fraud report and updated Counter Fraud Strategy (Agenda 10)

The Audit Manager introduced his Counter Fraud report which detailed progress against the 2016-17 Action Plan and presented the updated Counter Fraud Strategy for the Committee's approval. Responding to a query about targeted the work and investigations undertaken he confirmed that no substantial losses had been detected, rather referring to concerns about the potential for reputational damage to the Council.

Resolved:

- 1) that the Counter Fraud update and progress against the 2016-17 Action Plan be noted;
- 2) that the Counter Fraud Strategy 2017-2000 be approved.

AUD 22 Annual Governance Review 2016/17 (Agenda 11)

The Head of Audit West presented a report outlining the process and timetable for compilation and approval of the Annual Governance Statement for 2016/17.

Resolved: that the report and process for the Annual Governance Review be noted.

AUD 23 Audit Committee Annual Report (Agenda 12)

The Committee received an update on production of the draft Annual Report, noting that there would be an opportunity to consider this in greater detail at the June/July workshop. Members agreed that the Annual Report would then be presented for Committee approval to the September meeting, prior to its being recommended to Council.

AUD 24 Appointment of Independent Members (Agenda 13)

Beverley Robertshaw withdrew from the meeting whilst this matter was discussed (Tony Roche had already left the meeting).

Noting that one of the Independent Member's terms of office was due to expire, the Committee was advised that following an approach by the officers Mr Roche had offered to continue for a further two years if so required. Members and officers alike expressed their appreciation of the generosity of this offer, particularly as Mr Roche would have already

completed two four-year terms supporting the work of the Audit Committee, endorsing the proposal to extend his role.

Chairman
