



Minutes

of the Meeting of the

Audit Committee

Thursday, 7th December 2017

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

Meeting Commenced: 3.05pm Meeting Concluded: 4.20pm

Councillors:

P Mary Blatchford (Chairman)
P David Jolley (Vice-Chairman)

A Bob Garner
P Marcia Pepperall

P John Ley-Morgan

P: Present
A: Apologies for absence submitted

Independent Member: Tony Roche

Also in attendance: Barry Morris and Katy Whybray of Grant Thornton

Officers in attendance: James Bidwell (Corporate Services), Peter Cann (Audit West), Malcolm Coe (Corporate Services), Tim Nelson (Corporate Services), Heather Sanders (Corporate Services), Jeff Wring (Corporate Services), Melanie Watts (Corporate Services)

AUD 9 Declaration of Disclosable Pecuniary Interest (Agenda item 1)

None.

AUD 10 Minutes of the Meeting held on 06 September 2017 (Agenda item 4)

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

AUD 11 Annual Accounts 2017/18 (Agenda item 6)

The Head of Finance and Property introduced his report which provided the Committee with an update of the issues impacting on the annual accounts process. The report invited the Committee to note the requirements of 'faster closing' for the annual accounts process and the impact on the proposed timetable for 2017/18 to allow approval of the audited statement of accounts in July 2018; the changes within the CIPFA Code of Practice which would impact on the financial statements for 2017/18; the Council's annual review of accounting policies; the potential future change of accounting policy for the treatment of library books as inventory from 1 April 2018; the requirement for

the Council's accounts to provide a 'true and fair' view of the Council's financial position and transactions and the Council's concept of materiality; proposals for the assessment of materiality limits to be applied by officers in drawing up the Council's statement of accounts in order to continue the process of 'de-cluttering' the accounts and hence focusing the accounts on key messages; the proposed changes to the format of the statement of accounts

The Head of Finance and Property and Head of Corporate Accountancy then responded to Members questions and queries. Members discussed staffing levels within the team and particularly whether adequate arrangements were in place to ensure that the 'faster closing' timetable would be met; the potential change of accounting policy for the treatment of library books; and the officers' assessment of appropriate materiality levels and the removal of non-material disclosures. Following which it was,

Resolved:

- 1) that the Council's library of accounting policies as set out in the report be approved; and
- 2) that the basis of the assessment of materiality for the preparation of the Council's statement of accounts as set out in the report be approved.

AUD 12 Treasury Management Mid-Year Monitoring 2017/18 (Agenda item 7)

The Head of Finance and Property reported on treasury management activities during the period 01 April to 30 September 2017. The report informed the Committee of the transactions carried out during the first half of the year and the prudential indicators for 2017/18.

The Head of Finance and Property, the Head of Corporate Accountancy and the Project Accountant (Treasury) then responded to Members questions and queries.

Resolved: that the report be noted.

AUD 13 External Audit (Agenda item 8)

Barry Morris, Grant Thornton's Engagement Lead presented the Annual Audit Letter which summarised the key findings from the work undertaken by the Council's external auditor for the year ended 31 March 2017. Katie Whybray Grant Thornton's Engagement Manager reported on progress with work undertaken by the external auditor to November 2017, the report included a sector update in which emerging issues were summarised for Members convenience.

Resolved: that the contents of the Annual Audit Letter and Audit Progress report be noted.

AUD 14 Internal Audit Assurance Plan 2017/18 (Agenda item 9)

Audit West's Audit Manager updated the Committee on performance against the 2017/18 plan.

Resolved: that progress in delivery of the 2017/18 Audit Assurance Plan be noted.

AUD 15 Public Sector Internal Audit Standards (Agenda item 10)

The Audit Manager reported on the Council's Internal Audit Service (Audit West) conformance with revised Public Sector Internal Audit Standards (PSIAS) and the action plan arising from the recent self-assessment. The report advised that the process followed and evidence complied by the self-assessment would help inform the external assessment of the service due to be carried out between January and March 2018. The report also advised that an Internal Audit Charter was a key requirement of the PSIAS and accordingly, the Committee's approval of a revised Internal Audit Charter was now sought.

Resolved:

- 1) that the Internal Audit Service's compliance with the revised Public Sector Internal Audit Standards which came into effect on 01 April 2017 be noted;
- 2) that the results of the self-assessment undertaken by the service be noted and the associated Action Plan set out in the report be approved; and
- 3) that the revised Internal Audit Charter set out in the report be approved.

AUD 16 Resignation of Independent Member (Agenda item 11)

Reporting that Beverley Robertshaw had resigned the Head of Audit West requested permission to advertise the vacancy. Members expressed their gratitude to Beverley for her valuable contribution to the work of the Audit Committee during her term of office and wished her well on her imminent confinement.

Resolved: that the Head of Audit West be instructed to take all necessary steps to secure the appointment of a second Independent Member, to support the work of the Audit Committee in its role of ensuring that the Council's financial governance and other management arrangements remain relevant, adequate and fit for purpose.

Chairman
