

AUDIT COMMITTEE

TUESDAY, 19 APRIL 2016

PRESENT:- Councillors Steve Weisinger (Chair), Steve Allsopp, Mark Edwards, Nick Martin, Des Moffatt and Maureen Penny.

Apologies for absence were received from Councillors Oliver Donachie and Kevin Small.

41. Declarations of Interest

The Chair reminded members of the need to declare known interests in any matters to be considered at the meeting.

42. Public Question Time

There were no public questions.

43. Minutes

Resolved – That the minutes of the meeting held on 23rd February 2016 be confirmed and signed.

44. Treasury Management Statement

The Committee received a report on the Council's Treasury Management Strategy for 2016/17, including Prudential Indicators up to 2017/18, the Annual Investment Strategy, and the Minimum Revenue Provision Policy Statement.

Resolved – That the Treasury Management Strategy, Minimum Revenue Provision Policy and Prudential Indicators, as set out in Appendix 1 to the report, be noted and submitted for approval by Full Council at its meeting on 14th April 2016.

45. Internal Audit report - Treasury Management

The Committee received a report of the Head of Internal Audit on the key findings of the Annual Internal Audit of the Council's Treasury Management process. It was noted that the audit had found the internal control arrangements to be of a high standard resulting in only a moderate risk to the Council.

Resolved – That the report be noted.

(Councillor Mark Edwards made a non-prejudicial declaration of interest in his capacity as a Governor of Isambard Community School.)

46. Annual Statement of Accounts Update 2015/16

The Committee received a report of the Board Director Resources, providing an update on the progress towards the completion of the 2015/16 Statement of Accounts and summarising future changes to the Code, as reviewed annually by the

Chartered Institute of Public Finance and Accountancy (CIPFA), and updates made to accounting requirements as a result of accounting regulation changes as interpreted for the public sector, which would affect the production of the accounts in 2016/17.

Resolved – (1) That the report be noted.

(2) That the accounting policies for 2015/16 be confirmed.

47. Internal Audit Plan: 2016/17

The Head of Internal Audit submitted a report setting out the draft Audit Annual Plan for 2016/17.

Resolved – That the draft Internal Audit Plan for 2016/17 be approved.

48. Letter to those charged with governance

The Committee received a report of the Head of Internal Audit on the requirement for the External Auditor, as part of their audit of the Council's financial statements and in order to comply with the International Auditing Standards (UK and Ireland), to make inquiries of both management and the Audit Committee as to their knowledge of any actual, suspected or alleged fraud. The Committee also noted that there was an obligation placed on auditors by International Auditing Standards to document Management's view on some key areas affecting the financial statements.

Resolved - That the responses submitted by the Chair on behalf of the Audit Committee and by Management, appended to the report, be noted.

49. External Audit Reports

(i) External Audit Plan 2015-16

Liz Cave (Grant Thornton) presented the Audit Plan for 2015/16, explaining the External Auditors' responsibilities under the Local Audit and Accountability Act 2014 and in accordance with the requirements of the Code of Practice issues by the National Audit Office (NAO), and detailing the work to be undertaken in relation to (a) the audit of the key challenges and opportunities the Council is facing, (b) the impact on the Audit Plan of key developments in the public sector and national audit requirements, as set out in the Code of Audit Practice, and (c) in support of the Value for Money conclusion. Ms Cave also guided the Committee through the summary of the findings of the External Auditors' interim audit work, and the impact of the findings on the accounts audit approach, the key dates of the audit cycle and fees for the Council audit and other services agreed at the time of the issue of the Audit Plan.

Resolved – That the External Auditors' Audit Plan 2015/16 be accepted.

(ii) Audit Committee Update

Liz Cave (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at April 2016, in respect of the delivery of their audit responsibilities. The report also included a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report and supporting papers be noted.

50. Changes to arrangements for appointment of an External Auditor

The Head of Internal Audit submitted a report summarising the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits. It was noted that the Council would need to consider the options available and put in place new arrangements in time to make a first appointment by 31 December 2017.

Resolved - (1) That the options for the appointment of an External Auditor be noted and that the Committee endorses the recommendation (option 3 in the report) of setting up of a national Sector Led Body.

(2) That a further update report be brought back to Audit Committee later in the year.

51. Head of Internal Audit Update

The Head of Internal Audit submitted a report providing a summary of the main issues arising from the Internal Audit reports finalised since the Audit Committee meeting in February 2016, and progress against the annual internal audit plan and other key issues.

Resolved – (1) That the report be noted.

(2) That a report on the management response to the key findings of the Stores and Equipment Management” internal audit be submitted to the next meeting of the Committee.