

AUDIT COMMITTEE

TUESDAY, 21 FEBRUARY 2017

PRESENT:- Councillors Steve Weisinger (Chair), Malcolm Davies, Nick Martin, Des Moffatt, Kevin Small and Chris Watts

35. Declarations of Interest

The Chair reminded members of the need to declare known interests in any matters to be considered at the meeting. No declarations were made.

36. Public Question Time

There were no public questions.

37. Minutes

Resolved - That the minutes of the meeting held on 15th November, 2016, be confirmed and signed.

38. Annual Statement of Accounts Update 2016/17

The Committee received a report of the Interim Corporate Director Resources, providing an update on the progress towards the completion of the 2016/17 Statement of Accounts and summarising future changes to statutory requirements affecting the production of the accounts from the 2017/18 Financial Year, including changes to statutory deadlines, requiring faster closing, the implementation of the Highways Network Asset and consequent changes to Accounting Policies, and other changes affecting the accounts.

Resolved – (1) That the report be noted.

(2) That the accounting policies for 2016/17 and proposed amendments for 2017/18, set out in the report, be confirmed.

39. Treasury Strategy Statement 2017/18

The Committee received a report on the Council's Treasury Management Strategy for 2017/18, including Prudential Indicators up to 2019/20, the Annual Investment Strategy, and the Minimum Revenue Provision Policy Statement.

Resolved – That Cabinet's decision at its meeting on 8th February, that the Treasury Management Strategy, Minimum Revenue Provision Policy and Prudential Indicators, as set out in Appendix 1 to the report, be recommended for approval by Full Council on 23rd February 2017, be endorsed.

40. Internal Audit report - Contract management of the delivery of the Housing capital programme

In accordance with its established practice of considering at least one individual audit report at each meeting, the Committee received a report on the outcome and key findings of the Internal Audit Review of the contract management arrangements regarding the delivery of the Housing capital programme, which initial report, finalised in October 2016, had identified significant risk. It was noted that Internal Audit has since carried out a follow-up review to establish progress in implementing agreed recommendations and the report presented to members the up-to-date position regarding the service.

The Committee was advised that the target date for the implementation of a number of the recommendations had yet to be reached but that the follow-up review had identified that the critical recommendation of ensuring that all contracts complied with the Council's Contract Standing orders had been implemented. The review had also established that substantial progress had been made in implementing a number of the initial review's recommendations. The audit opinion had therefore improved from 'significant risk' to 'of concern'.

The Council's Head of Property Maintenance and the Capital and External Contracts Manager were in attendance to provide a current position statement in relation to the implementation of the internal audit recommendations and also responded to members' questions on issues raised regarding identified risk areas, the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – (1) That the report, and the initial management response to the audit review recommendations, be noted.

(2) That the positive response to the audit recommendations be welcomed and that, to ensure continued progress, a further audit review be carried out before November 2017 and the outcomes of that audit be reported to the Committee for consideration.

41. Internal Audit report - Stores and Equipment Management

In accordance with its established practice of considering at least one individual audit report at each meeting, the Committee received a report on the outcome and key findings of the Internal Audit Review of Stores and Equipment Management. It was noted that the initial report, presented to the June 2016 meeting of the Audit Committee, had an audit opinion regarding internal controls that significant improvements were required resulting in an overall opinion of 'Of Concern'. A follow-up review had been carried out by Internal Audit to establish progress in implementing agreed recommendations and the report presented to members the up-to-date position regarding the service. It was noted that, of the eighteen recommendations made in the previous audit, fourteen of these had either been implemented or were in the process of being implemented.

The Head of Internal Audit introduced the report, providing a current position statement in relation to the implementation of the internal audit recommendations and also responded to members' questions on issues raised regarding identified risk areas, the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – That the report, and the management response to the audit review recommendations, be noted.

42. External Audit Report

Chris Hackett (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at 21st February 2017, 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.

43. Head of Internal Audit Update

The Committee received a report of the Head of Internal Audit summarising the main issues arising from the Internal Audit reports finalised since the last Audit Committee meeting in November 2016, progress made against the Annual Internal Audit Plan 2016/17 and Internal Audit staffing and resource issues.

Resolved – (1) That the report be noted
(2) That, in accordance with its established practice of considering at least one individual audit report at each meeting, the Transformation Programme and Domestic Abuse Strategy audit reports be submitted to the next meeting.

Signed at a meeting of the Committee held on 4th April 2017

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Person presiding at meeting at which minutes signed