

AUDIT COMMITTEE

TUESDAY, 16 SEPTEMBER 2014

PRESENT:- Councillors Steve Weisinger (Chair), Steve Allsopp, Oliver Donachie, Mark Edwards, Neil Heavens, Nick Martin and Des Moffatt

16. 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.

17. Public Question Time

There were no public questions.

18. Minutes

Resolved - That the minutes of the meeting held on 15th July 2014 be confirmed and signed.

19. Final Annual Statement of Accounts 2013/14

The Committee received a report introducing the Council's Annual Statement of Accounts for 2013/14 (attached to the report at Appendix 1). The Board Director Resources, with the Finance Manager, Housing, Treasury and Growth, presented the report, highlighting key areas of adjustment since the submission of the draft accounts to the Audit Committee meeting on 15 July 2014, including the inclusion of additional narrative requested by members on the material reasons for year-on-year variances in the main statements of the accounts, and a recommendation that the accounting policy for depreciation not being charged in the year of disposal be reversed. The report also advised that, in response to a request at its last meeting, central government had been contacted over members' concern about the complexity and accessibility of the statement of accounts and the Committee was invited to review the Council's proposed response to CIPFA consultation on simplifying the main performance statement of the accounts.

Following their presentation of the report, the Board Director and Finance Manager responded to members' specific queries and observations regarding the accounts.

Resolved – (1) That the report and the Annual Statement of Accounts 2013/14 (attached at Appendix 1 to the report), together with updates provided at the meeting, be noted.

(2) That the Annual Statement of Accounts 2013/14 be approved. That the recommended change to accounting policy for depreciation chargeable on asset disposals be also approved.

(3) That the draft response to the CIPFA consultation on simplifying the main performance statement of the accounts, set out in Appendix 2 to the report, be approved.

(4) That the Board Director Resources and Mr Darren Stevens, the Council's Finance Manager, Housing, Treasury and Growth, and his team, be thanked for

their hard work and diligence in compiling the Annual Statement of Accounts.

20. External Audit - Audit Findings

The Committee received a report of the Council's External Auditors, Grant Thornton, highlighting the key matters arising from their audit of the Council's financial statements for the year ended 31 March 2014.

Liz Cave, Engagement Lead (Grant Thornton), introduced the report, taking the Committee through the external auditor's findings and responses in respect of matters and risks identified at the planning stage of the audit, and additional matters that arose during the course of the work, and also the adjustments to the financial statements arising from the audit work and findings in respect of internal controls. Ms Cave concluded her presentation by guiding members through the recommendations and proposed management responses set out in the Action Plan (attached to the report at Appendix A)

Resolved – (1) That the report be noted and that the External Auditors' intention to give unqualified opinions for the year ended 31 March 2014 on the Council's financial statements and its VFM conclusion in relation to the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014, be welcomed.

(2) That the Chair be authorised to sign the letter of representation provided by the external auditors in relation to the audit of the group financial statements of the Council and its subsidiary undertakings.

21. External Audit - Update

Chris Hackett (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at 8th September 2014, 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.

22. Annual Governance Statement

Further to Minute 11, the Committee received the Annual Governance Statement 2013/14 for approval. It was noted that the draft Statement had been approved by the Committee at its meeting on 15th July 2014 and that no additional items for inclusion in the statement had been identified at that meeting or subsequently.

Resolved – That the Annual Governance Statement, appended to the report, be approved, to be signed off by the Leader of the Council and the Chief Executive.

23. Internal Audit Charter

The Committee received a report of the Head of Internal Audit on the Council's Internal Audit Charter, required to ensure compliance with Public Sector internal Audit Standards (PSIAS).

Resolved – That the Internal Audit Charter, appended to the report, be

approved.

24.

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 July 2014 and progress made against the Annual Internal Audit Plan.

Resolved – (1) That the report be noted.

(2) That the Oracle System Control and Integrity audit report, categorised as having an overall risk evaluation of “Of Concern”, be submitted for consideration at the meeting of the Committee to be held in November 2014.

(3) That the Head of Internal Audit liaise with the Chair regarding the outcome of pending audits and that the Chair determine which, if any, of these should be reported to the September meeting for consideration.