

COTSWOLD DISTRICT COUNCIL

AUDIT COMMITTEE

23RD AUGUST 2016

Present:

Councillor LR Wilkins	- Chairman
AW Berry	PCB Coleman (from 10.10 a.m.)
T Cheung	

Substitutes:

SI Andrews (from 10.05 a.m.)

Apologies:

R Theodoulou

AUD.20 SUBSTITUTION ARRANGEMENTS

Councillor SI Andrews substituted for Councillor R Theodoulou.

AUD.21 DECLARATIONS OF INTEREST

There were no declarations of interest under the Code of Conduct for Members or Section 106 of the Local Government Finance Act 1992.

There were no declarations of interest under the Code of Conduct for Officers.

AUD.22 MINUTES

RESOLVED that the Minutes of the Meeting of the Committee held on 28th June 2016 be approved as a correct record.

Record of Voting - for 3, against 0, abstentions 0, absent 2.

Arising thereon

Auditor Panels (Minute AUD.17)

Further to Minute AUD.17 of 28th June 2016, it was noted that Public Sector Audit Appointments Ltd. (PSAA) had been specified as an 'appointing person'. This meant that PSAA would be able to make auditor appointments on behalf of those local authorities which chose to opt into the national arrangements which PSAA would be developing. Invitations to opt in were expected to be issued before December 2016 and, in that respect, reports would be presented for consideration by the Cabinet and the Council at their Meetings to be held on 17th November and 13th December 2016 respectively.

In response to a question from a Member, it was reported that the partner authorities were broadly following the same route.

AUD.23 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded the Committee that a workshop dealing with 'the effectiveness of the Audit Committee' would be held at the close of this Meeting.

AUD.24 PUBLIC QUESTIONS

No public questions had been received.

AUD.25 MEMBER QUESTIONS

No questions had been submitted by Members.

AUD.26 LETTER OF REPRESENTATION 2015/16

Mr. John Golding, the Audit Partner for Grant Thornton, the Council's External Auditor, was present for this item.

The Committee was requested to consider and approve the Council's Letter of Representation for 2015/16.

RESOLVED that Letter of Representation for 2015/16 be approved for signature by the Chairman of the Committee and the Chief Finance Officer, on behalf of the Council.

Record of Voting - for 4, against 0, abstentions 0, absent 1.

AUD.27 GRANT THORNTON - THE AUDIT FINDINGS FOR COTSWOLD DISTRICT COUNCIL YEAR ENDED 31ST MARCH 2016

Mr. John Golding (Audit Partner) and Ms M Burge (Assistant Manager), both for Grant Thornton the Council's External Auditor, were present for this item.

The Committee was invited to consider, and comment on, the Audit Findings Report for the financial year 2015/16, which included the key matters arising from the external audit of the Council's financial statements for the year ended 31st March 2016.

Mr. Golding and Ms Burge were invited to address the Committee. Mr. Golding stated that he had been pleased that few 'significant' issues had arisen from the audit and he thanked staff in the Council's Finance Section for their assistance and support during the audit. Ms Burge amplified various aspects of the Audit Findings report, and Mr. Golding, Ms Burge and Officers then responded to various questions from Members relating to the increase in the value of the Council's Leisure Centres; the issue of 'materiality' versus 'reputation'; the definition of 'trivial' misstatements; the investigation of errors; and systems administrative access rights.

A Member expressed the view that any misstatement over £1,000 would be significant for a District Council.

RESOLVED that the Audit Findings Report 2015/16 be noted and endorsed.

Record of Voting - for 5, against 0, abstentions 0, absent 0.AUD.28 STATEMENT OF ACCOUNTS 2015/16

Mr. John Golding (Audit Partner) and Ms M Burge (Assistant Manager), both for Grant Thornton the Council's External Auditor, were present for this item.

The Committee was invited to consider and approve the audited Statement of Accounts 2015/16.

Officers amplified various aspects of the circulated report in response to various questions from Members relating to the frequency of pension fund valuations, short-term debtors, asset revaluations and car parks depreciable values.

Mr. Golding and Officers took the opportunity to remind the Committee of the revised timeframes for consideration and approval of the audited Statements of Accounts in future years. The accelerated closure of the 2015/16 Accounts had been welcomed, and it was noted that Officers and the External Auditors would be working towards an earlier closure of the 2016/17 Accounts.

The Chief Finance Officer expressed her thanks to staff in the Finance Team and the External Auditors for their work to achieve an early closure of the Statement of Accounts 2015/16.

RESOLVED that the Statement of Accounts 2015/16 be approved for signature by the Chairman of the Audit Committee.

Record of Voting - for 5, against 0, abstentions 0, absent 0.AUD.29 ANNUAL TREASURY MANAGEMENT REVIEW 2015/16 INCLUDING PERFORMANCE AGAINST PRUDENTIAL INDICATORS

The Committee was requested to consider a report detailing the Annual Treasury Management Review for 2015/16, together with performance against the Prudential Indicators.

It was noted that an increase in investment interest had been achieved due to the Council having higher than predicted levels of cash, and that the recent cut in interest rates by the Bank of England would be addressed in the forthcoming consideration of the Medium Term Financial Strategy.

RESOLVED that the Annual Treasury Management Review 2015/16, and the associated updated Prudential Indicators, be noted, and commended to the Council.

Record of Voting - for 5, against 0, abstentions 0, absent 0.AUD.30 INTERNAL AUDIT MONITORING REPORT

The Committee considered a report summarising the work undertaken by Internal Audit (Audit Cotswolds).

The Head of Internal Audit (Operational) amplified aspects of the circulated report in response to various questions from Members relating to auditing of Planning Services, personal security and cyber crime.

RESOLVED that the report be noted.

Record of Voting - for 5, against 0, abstentions 0, absent 0.

AUD.31 COUNTER FRAUD UNIT UPDATE

The Committee was requested to consider a report detailing activity undertaken by, and an updated business case for, the Counter Fraud Unit; and a draft Whistle-Blowing Policy. It was noted that any comments made by the Committee in respect of the draft policy would be forwarded to the Joint Liaison Forum and the Joint Consultative Committee for consideration of approval.

It was reported that there had been an increase in the results detailed in the circulated report. A total of sixty-three housing applications had been removed from the Housing List within Tewkesbury Borough, which represented a high value loss avoidance figure.

It was considered that the following two amendments in respect of the draft Whistle-Blowing Policy should be forwarded to the Joint Liaison Forum and Joint Consultative Committee for consideration:-

- (i) paragraph 1.9 - deletion of the words ' , rather than waiting' at the end of the first sentence;
- (ii) paragraph 3.6 - deletion of the word 'may' between the words 'that they came forward' and 'be taken into account' in the last sentence, and its substitution by the words 'will usually'.

Officers also responded to various questions from Members in respect of the revised business case for the Counter Fraud Unit.

RESOLVED that:

- (a) the Counter Fraud Unit project summary be noted;**
- (b) the Committee's comments in relation to the draft Whistle-Blowing Policy be forwarded to the Joint Liaison Forum and Joint Consultative Committee;**
- (c) the updated Counter Fraud Unit business case, including revised financial details, be noted.**

Record of Voting - for 5, against 0, abstentions 0, absent 0.

AUD.32 OTHER BUSINESS

There was no other business that was urgent.

The Meeting commenced at 10.00 a.m. and closed at 11.40 a.m.

Chairman

(END)