

COTSWOLD DISTRICT COUNCIL

AUDIT COMMITTEE

4TH APRIL 2017

Present:

Councillor LR Wilkins - Chairman

AW Berry R Theodoulou
T Cheung

Substitutes:

NP Robbins

Apologies:

PCB Coleman

AUD.49 SUBSTITUTION ARRANGEMENTS

Councillor NP Robbins substituted for Councillor PCB Coleman.

AUD.50 DECLARATIONS OF INTEREST

Councillor LR Wilkins declared an interest in respect of Agenda Item (11) (Internal Audit Monitoring Report - Executive Summary for NNDR Reliefs 2016/17), because he was the Honorary Secretary of a sports club which was in receipt of such a relief.

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

AUD.51 MINUTES

RESOLVED that the Minutes of the Meeting of the Committee held on 24th January 2017 be approved as a correct record.

Record of Voting - for 3, against 0, abstentions 1, absent 1.

AUD.52 CHAIRMAN'S ANNOUNCEMENTS

There were no announcements from the Chairman.

AUD.53 PUBLIC QUESTIONS

No public questions had been received.

AUD.54 MEMBER QUESTIONS

No questions had been submitted by Members.

AUD.55 GRANT THORNTON AUDIT PLAN 2016-17

Mrs. J Masci, Associate Director at Grant Thornton (the Council's external auditor), was present for this item.

The Committee considered a report detailing plans by Grant Thornton for the external audit work for 2016/17 and Mrs. Masci amplified various aspects thereof, including in relation to understanding the challenges faced by the Council; the impact of key developments in the public sector; national audit requirements; the audit process; materiality; 'significant' and 'other' risks identified; the scope of the 'group' audit and risk assessment; and value for money.

Mrs. Masci drew attention to the results of the interim audit work carried out so far; the key dates in the timetable; and Grant Thornton's independence in its role as the Council's external auditor. Mrs. Masci reminded the Committee that, with effect from the financial year 2017/18, the deadline for the submission of final accounts by the Council would be 31st July and that the Council's reputation could be damaged if that deadline was missed. Mrs. Masci anticipated a positive outcome from the audit and concluded by reminding the Committee that the year-end 'Audit Findings' report would be submitted to a future Meeting.

Mrs. Masci and Officers then responded to various questions from Members, including in relation to the bid by some of the Oxfordshire Councils for Unitary Authority status; pension fund checks; the establishment of a Counter Fraud Unit; the decision-making process, the setting of service levels and monitoring the delivery of services within the 2020 Partnership; the review of information technology controls; and the future provision of external audit services.

RESOLVED that the Grant Thornton Audit Plan 2016-17 be noted.

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

AUD.56 GRANT THORNTON UPDATE

Ms M Burge, the Manager at Grant Thornton (the Council's external auditor), was present for this item.

The Committee considered a report detailing progress on the Audit Work Plan 2016/17. Ms Burge amplified aspects relating to progress to date, and apprised the Committee of various emerging issues and developments relating to National Audit Office reports; the Local Government Association; the introduction of an Apprenticeship Levy; off-payroll working in the public sector; and the changes proposed in the Chancellor's Autumn Statement in respect of salary sacrifice arrangements.

RESOLVED that the report be noted.

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

AUD.57 GRANT THORNTON ASSURANCE

Mrs. J Masci, Associate Director at Grant Thornton (the Council's external auditor), was present for this item.

The Committee was requested to consider a draft response to a letter from Grant Thornton dated 2nd March 2017 which had sought to establish an understanding of how the Council gained assurance over its management processes and arrangements. The letter had included a questionnaire raising various issues, and the Committee considered the draft responses thereto.

Mrs. Masci and Officers responded to various questions from Members, including in relation to assessing the risk of 'material misstatement'; encouragement of ethical behaviour of staff and contractors; and the Council's Whistleblowing Policy. In respect of the latter issue, the Chief Finance Officer undertook to consider how information relating to incidents of whistleblowing could best be incorporated into the quarterly reports received by the Committee.

RESOLVED that the letter of assurance be approved for signature by the Chairman of the Committee on behalf of the Council.

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

AUD.58 INTERNAL AUDIT MONITORING REPORT

The Committee considered a report summarising work undertaken to date by Audit Cotswolds (Internal Audit), including progress against the current Audit Plan.

The Acting Head of Audit Cotswolds amplified aspects of the circulated report, including in relation to progress against each of the auditable areas; the issue of draft reports; assurance levels offered; transactional testing; and an update in respect of the recent transfer of the Internal Audit service to the South West Audit Partnership (SWAP). Officers then responded to various questions from Members, including in relation to follow-up work in respect of the audit of Procurement, Insurance and Health & Safety; progress on the disaster recovery planning audit; the assurances given; the carrying out of consultancy work, which did not require any assurances to be given; and the reporting of absenteeism statistics. In response to a specific question from a Member, it was reported that the Head of Audit Cotswolds was no longer employed by the Council.

RESOLVED that the report be noted.

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

AUD.59 INTERNAL AUDIT ANNUAL PLAN 2017/18

The Committee considered the Internal Audit Annual Plan 2016/17 and the Acting Head of Audit Cotswolds amplified various aspects, including in relation to core governance and core finance audits; risk based audits; and advice and consultancy.

RESOLVED that the Internal Audit Plan 2017/18 be approved.

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

AUD.60 COUNTER FRAUD UNIT REPORT AND REGULATION OF INVESTIGATORY POWERS ACT 2000 UPDATE

The Committee considered a report detailing recent Counter Fraud Unit activities and an update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA).

The Team Leader amplified aspects of the circulated report, including in relation to the recruitment of staff, achievements, and planning, and explained that the intention was to present future reports to the Committee on a six-monthly basis. Officers then responded to various questions from Members, including in relation to the provisions of the 2000 Act; the role of the Office of Surveillance Commissioners; the use of covert human intelligence sources; and combatting cyber crime.

RESOLVED that the report be noted.

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

AUD.61 OTHER BUSINESS

There was no other business that was urgent.

AUD.62 CHAIRMAN'S COMMENTS

The Chairman commented that this would be the last Meeting of this Committee in the current municipal year, and he thanked Members and Officers for their work.

AUD.63 SOUTH WEST AUDIT PARTNERSHIP

At the close of the Meeting, the Committee received a presentation from South West Audit Partnership, who had recently been appointed to provide Internal Audit services to the Council.

The Meeting commenced at 10.00 a.m. and closed at 11.35 a.m.

Chairman

(END)