

COTSWOLD DISTRICT COUNCIL

AUDIT COMMITTEE

30TH JANUARY 2018

Present:

Councillor LR Wilkins	- Chairman
AW Berry	PCB Coleman
T Cheung	

Absent:

R Theodoulou

AUD.37 SUBSTITUTION ARRANGEMENTS

No substitution arrangements had been put in place for this Meeting.

AUD.38 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.39 MINUTES

RESOLVED that the Minutes of the Meeting of the Committee held on 21st November 2017 be approved as a correct record.

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

Arising thereon:

Minutes - Statement of Accounts 2016/17 (AUD.30)

In response to questions from a Member, it was reported that information relating to 'other expenditure' and 'other income' would be forwarded by e-mail to the Committee later in the day, but that Officers were still awaiting receipt of copies of the Actuaries' reports.

AUD.40 CHAIRMAN'S ANNOUNCEMENTS

There were no announcements from the Chairman.

AUD.41 PUBLIC QUESTIONS

No public questions had been received.

AUD.42 MEMBER QUESTIONS

No questions had been submitted by Members.

AUD.43 GRANT THORNTON REPORTS

Ms J Masci (Associate Director) and Ms M Burge (Manager), both of Grant Thornton, the Council's external auditor, were present for this item.

The Committee was invited to consider and comment on the Certification Letter relating to the 2016/17 audit, and Ms Burge amplified various aspects relating to the Housing Benefit Subsidy claim; a reconciliation of benefit granted to paid; earned income errors; software supplier manual check reports; recommended actions; and the fees for certification work in respect of the 2016/17 audit.

In response to a question from a Member, Ms Masci suggested that the Council should take a pragmatic approach in response to the recommendations suggested regarding discrepancies on the Housing Benefit Subsidy and the implementation of measures to mitigate such errors. In that respect, it was reported that a number of changes had been made to operating systems following receipt of the 2015/16 audit findings at this time last year. As those changes had been made relatively late in the 2016/17 year, it was possible that some of the errors identified during the 2016/17 audit could have occurred prior to the implementation of the changes. In addition, Internal Audit would be carrying out some Housing Benefit assurance work during 2018/19 to review the new operating processes.

Notwithstanding this, the Member expressed concern over the problems that could occur for claimants as a result of underpayments or overpayments. The Member requested the Chairman to raise the profile of 'people issues' with the appropriate Cabinet Member.

Ms Masci then apprised the Committee of progress in relation to the 2017/18 audit, emerging national issues and developments, and challenge questions relating thereto.

RESOLVED that the Grant Thornton Certification Letter and update report be noted.

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

AUD.44 TREASURY MANAGEMENT STRATEGY STATEMENT AND CAPITAL STRATEGY 2018/19

Mrs. P Katrak (Client Director) and Mr. S Jones (Client Executive), both of Arlingclose, the Council's Treasury Advisors, were present for this item.

The Committee was invited to consider the draft Treasury Management Strategy Statement and Capital Strategy 2018/19 and to forward any comments thereon to the Cabinet and the Council. The Committee was also requested to advise the Group Manager GO Shared Services on the options for diversification of the Council's Investment Portfolio.

The Group Manager and the Client Executive outlined recent changes to the CIPFA Code of Practice, and explained that Guidance Notes in relation to the Treasury Management Strategy Statement had not yet been published. It was reported that the draft Strategies had been prepared using templates which had been drawn up by the Treasury Advisors, who had identified some opportunities to improve the return received by the Council in relation to its investments. Officers and the Treasury Advisors amplified aspects of both Strategies and responded to various questions from Members thereon. The Treasury Advisors outlined various alternative investment options available to the Council, and some minor typographical corrections relating to the Treasury Management Strategy Statement were noted.

In relation to the Capital Strategy, the Group Manager explained that she would advise the Committee by e-mail of the decisions relating to the diversification of the Council's Investment Portfolio.

RESOLVED that:

(a) the Committee's comments in relation to the Treasury Management Strategy Statement 2018/19, as amended, and the Capital Strategy 2018/19, be forwarded to the Cabinet and the Council for consideration;

(b) the Committee's views on the options for diversification of the Council's Investment Portfolio be noted.

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

Notes:

(i) The Chairman thanked Officers and the Treasury Advisors for their presentations in respect of the Strategies.

(ii) The Committee's 'positive' support of the draft Strategies would be reported to the Cabinet and the Council.

AUD.45 DATE OF NEXT MEETING

It was noted that the next Meeting of the Committee would be held in the Council Chamber, Trinity Road, Cirencester on Monday 30th April 2018 at 10.00 a.m.

AUD.46 OTHER BUSINESS

There was no other business that was urgent.

The Meeting commenced at 10.00 a.m. and closed at 12.20 p.m.

Chairman

(END)