

COTSWOLD DISTRICT COUNCIL

AUDIT COMMITTEE
(HELD AT THE BAPTIST CHURCH, CIRENCESTER)

21ST NOVEMBER 2017

Present:

Councillor LR Wilkins	- Chairman
AW Berry	PCB Coleman
T Cheung	R Theodoulou

AUD.28 SUBSTITUTION ARRANGEMENTS

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

AUD.29 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.30 MINUTES

RESOLVED that, subject to the following amendment, the Minutes of the Meeting of the Committee held on 29th August 2017 be approved as a correct record:-

by deletion of the heading at Minute AUD.18(ii) and its substitution by the heading '(ii) Annual Internal Audit Opinion 2016/17 (AUD.11)'.

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

Arising thereon:

Statement of Accounts 2016/17 (AUD.22)

In response to questions from a Member, it was reported that information regarding 'other expenditure' and 'other income' would be forwarded to the Committee in due course and that Officers were still awaiting receipt of copies of the Actuaries' reports.

AUD.31 CHAIRMAN'S ANNOUNCEMENTS

There were no announcements from the Chairman.

AUD.32 PUBLIC QUESTIONS

No public questions had been received.

AUD.33 MEMBER QUESTIONS

No questions had been submitted by Members.

AUD.34 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 Annual Audit Letter for the financial year 2016/17. Ms Masci explained that the Annual Audit Letter summarised the work carried out by Grant Thornton on behalf of the Council for the year ended 31st March 2017, and she reminded the Committee that the detailed findings from the audit work had been reported at its Meeting on 29th August 2017 (Minute AUD.22 referred).

Ms Masci undertook to amend the wording of the Executive Summary to explain the meaning of 'a blacklisted service' in relation to the cessation of the provision of a VAT and Employment Tax Support service; to include reference to the involvement of Price Waterhouse Cooper in the auditing of the Local Government Pension Fund; and to re-word the last paragraph under 'Risks Identified' in relation to 'Value for Money' in order to clarify it.

In response to various questions from Members, it was reported that Grant Thornton did not have any conflict of interest through its appointment as external auditor for both this Council and Gloucestershire County Council; no issues had been identified following testing of payroll expenditure, which represented a significant cost to the Council and a key risk area; following the introduction of new regulations, the Council had had to re-state its accounts for 2015/16 and give an explanation of the adjustments made; the contract for the audit of Housing Benefits was subject to separate tendering arrangements, which had yet to be completed; the Council's Section 151 Officer was aware of the changes made to the Code of Practice on Local Authority Accounting in the UK in 2017/18 and the forthcoming changes to lease accounting and revenue recognition.

In response to concerns expressed by a Member, Officers and the external and internal auditors outlined the controls which had been put in place in relation to payroll expenditure, including for dealing with new employees and leavers. In response to a question from Ms Masci, the Committee confirmed that it wished 'Sector Issues' to be included in future iterations of Grant Thornton reports.

RESOLVED that the Annual Audit Letter and update reports from Grant Thornton be noted.

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

AUD.35 INTERNAL AUDIT MONITORING REPORT

Mr. I Baker (Director of Quality) and Mrs. L Cater (Assistant Director), both of the South West Audit Partnership (SWAP), were present for this item.

The Committee considered a report summarising the work undertaken by SWAP, the Council's internal auditors. Officers amplified aspects of the circulated report, including in relation to current progress against each auditable area; the executive summaries of those audits which had been finalised since the Committee's last Meeting; and assurance levels. In updating the circulated report, Mrs. Cater

explained that draft opinions had been issued in respect of the 'Other GO Shared Services Area (Procurement/Insurance/Health and Safety' and 'Food Safety' audits.

In response to various questions from Members, Mrs. Cater explained that the 'Council Security Follow-Up' audit related to both personal and building security; a follow-up audit of Safeguarding would be carried out in the financial year 2018/19; following an investigation by the Counter Fraud Unit, control issues had been identified around the use of pool cars and Internal Audit had drawn up a policy which should prevent any similar, future incidents; the principle of pool cars was being reviewed in order to manage any associated inherent risks, and a follow-up audit would be carried out in the financial year 2018/19 once Publica had carried out a review of the current system; and the Community Projects Fund criteria had been reviewed by the Cabinet at the same time as the recommendation had been made to the Council in relation to the allocation of additional resources to that Fund (Minute CAB.27, 14th September 2017 referred).

In response to a further question, it was reported that the 'Business Continuity Management' and 'Council Security' follow-ups would be escalated to the Council's Section 151 Officer to seek responses from Management.

Mr. Baker and Mrs. Cater undertook to include a table detailing the priority level of recommendations, and responses from management thereto, in future Internal Audit Monitoring reports.

RESOLVED that the report be noted.

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

AUD.36 OTHER BUSINESS

There was no other business that was urgent.

The Meeting commenced at 10.05 a.m. and closed at 11.05 a.m.

Chairman

(END)