

**AUDIT AND GOVERNANCE COMMITTEE**

30<sup>th</sup> March 2015

**Present** – The Chairman (Councillor Place) and Councillors Jaquin, Moorby, Staveley and Turner.  
Independent Person : Greg Robinson.

**Officers** – Chief Executive, Strategic Manager for Financial Services, Solicitor to the Council, and Committee Officer. Cameron Waddell and Rochelle Tribe of the Council's External Auditors Mazars LLP, and Martin Helm, Internal Audit Service : Audit Manager and Kim Betts, Principal Auditor were also in attendance.

Apologies for absence were received from Councillors Barrett, Beck and Mulligan.

Start: 6.30pm

Finish: 8.13pm

The minutes of the Committee's meeting held on 12<sup>th</sup> January 2015 were confirmed and signed by the Chairman.

Note : Minute AC.218 Certification of Grant Claims : Mr Waddell pointed out that the final fee for the certification work 2013-14 had amounted to £9,716.

**Minutes for Report**

AC.227

**EXTERNAL AUDIT**

a. Audit Strategy Memorandum 2015-16

Cameron Waddell, Director and Engagement Lead with the Council's external auditors, Mazars, submitted a copy of the Audit Strategy Memorandum for 2014/15 which summarised the approach Mazars, as the Council's external auditors, would be taking in auditing the Council's 2014/15 financial statements. In planning the audit the following significant audit risks had been identified

- Management override of controls;
- Revenue and expenditure recognition;
- Valuation of property, plant and equipment;
- Employee retirement benefits.

As in previous years the audit would also reach a conclusion on the Council's arrangements for securing value for money. The fee for the audit would be £61,092, plus £12,670 for the certification of grant claims. The actual total fee for 2013/14 had amounted to £72,328.

Mr Waddell also informed the Committee that the Government had signalled its intention to bring forward the deadline for local authorities to produce their statements of account to 31<sup>st</sup> May from the 2017/18 financial year. The deadline for completion of the audit would be brought forward to 31<sup>st</sup> July.

**Resolved** – That the Audit Strategy Memorandum is received.

b. Financial Reporting Changes 2014-15

The External Auditors presented a report updating the Committee on changes to financial reporting that may impact on the Council's 2014/15 financial statements. The changes summarised in the report were

- key accounting changes in the latest edition of the Code of Practice for Local Authority Accounting in the UK which applied to the 2014/15 accounts; and
- changes to accounting policies to be applied in the preparation of the Council's 2014/15 Statement of Accounts.

The report was intended to help the Committee maintain an understanding of internal and external reporting requirements.

**Resolved** – That the changes in financial reporting arrangements are noted.

AC.228

### **RISK MANAGEMENT**

Further to Minute AC.201/14-15, the Strategic Manager for Financial Services submitted a report updating the Committee on changes to the Council's risk register and risk profile. Copies of an updated stand alone risk register for the Skipton Town Hall Project had also been circulated.

Members were advised that no new risks had scored sufficiently high enough to be added to the Register as a result of the most recent review. However reassessment of an existing risk concerning health and safety listed within the Council's risk profile had resulted in the risk being added to the risk register. The Register was therefore now comprised of nine risks.

During the course of the ensuing discussion questions were raised in respect of the level of information presented within the report submitted, and the Committee's awareness of the risk management plans and mitigation measures in place. It was

**Resolved** – (1) That the updated corporate risk register, including the upgraded health and safety risk, and the stand alone risk register for Skipton Town Hall are approved.

(2) That the Risk Management Group is asked to look at the structure of the report presented to this Committee to ensure that the information presented enables the Committee to be assured as to the risk management plans and mitigation measures in place.

(3) That the membership of the Risk Management Group is extended to include a representative of this Committee, the Independent Person to be the Committee's representative.

(4) That a report on appropriate training for Members of this Committee is presented to the Committee's next meeting, the training to include a module on risk management.

(5) That the Lead Member and Lead Officer for the Town Hall Project are both invited to attend the Committee's next meeting to discuss the Project's stand alone risk register, in particular Phase 2 of the project.

AC.229

### **INTERNAL AUDIT**

#### **a. Recommendations : Implementation Monitoring**

Further to Minute AC.219(a)/14-15, the Strategic Manager for Financial Services submitted a report updating the Committee on the position reached with implementation of Priority One internal audit recommendations. The Strategic Manager reported that following publication of her report an additional recommendation (C4 06) had been completed, therefore, as at the end of the most recent monitoring period, five from an original list comprised of 20 Priority One recommendations remained outstanding. In responding to Members questions the Chief Executive stated that

arrangements were in place to ensure that the outstanding recommendations concerning information services were taken forward.

**Resolved** – (1) That audit recommendations completed in the most recent monitoring period are noted, and that the action taken in completing those recommendations is approved.

(2) That the position with regard to outstanding Priority One audit recommendations, as presented within Appendix A to the Strategic Manager's report, are noted.

b. Draft Internal Audit Plan 2015/16

The Internal Audit Manager submitted a report presenting the draft Internal Audit Plan setting out the areas, functions or activities to be audited in the 2015/16 financial year, together with an estimate as to number of days for each audit. As in the current financial year, the 2015/16 Plan provided for 240 audit days, plus an additional 10 days, if required, for any ad hoc or unforeseen work, or for the provision of consultancy advice.

In presenting the draft plan the Audit Manager explained that the focus would be on risk based auditing looking at service audits and reviews, combined with a rolling programme of annual financial system audits. The change to a more risk-based approach reflected a movement in local government internal audit nationally, and had also been recommended within the external assessment of the Internal Audit Service undertaken by Mazars in 2014.

**Resolved** – That the proposed 2015/16 Internal Audit Plan is approved.

c. Internal Audit Reports

The Internal Auditor presented copies of the audit reports listed below, which had been commissioned as part of the 2014/15 Internal Audit Plan

- Creditors (report on the implementation of the audit recommendations from previous audit report presented to the Committee in September 2014)
- Treasury Management (report on the implementation of the audit recommendations from previous report presented to the Committee in June 2014)
- Sundry Debtors : Level of Assurance : Good

**Resolved** – That the reports of the Internal Auditor now presented are received and that implementation of outstanding / new recommendations therein are monitored through the arrangements approved at Minute AC.209(b)/14-15.

### Minutes for Decision

AC.230

### COUNCIL PROCEDURE RULES – RECORDED VOTES

The Solicitor to the Council submitted a report seeking Members approval to an amendment to Council Procedure Rules as required by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014.

The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 had come into force on 25<sup>th</sup> February 2014 and required that the votes of each individual Councillor on the setting of the Council budget be recorded by name in the minutes of the meeting. It was therefore proposed and

**RECOMMENDED** – That, Council Procedure Rule 16.4 is amended to read as follows:

16.4.1 If two Members present at the meeting demand it, the names for and against the motion / amendment or those abstaining from voting will be recorded in the minutes.

16.4.1 All votes relating to the setting of the budget and the Council Tax at budget setting Council meetings shall be a recorded vote.

Chairman.

This being the last meeting of the Committee in the current financial year, the Chairman thanked the auditors, officers and members for their attendance, support and input over the past year. He also thanked Cllr Turner for her work as Vice-Chairman and expressed his sadness at the recent death of Cllr Donny Whaites.