

## **AUDIT AND GOVERNANCE COMMITTEE**

24 September 2019

**Present** – The Chairman (Councillor Place) and Councillors Handley and Noland.

**Officers** – Chief Executive, Chief Finance Officer (s151 Officer), Accountancy Services Manager, Solicitor to the Council and Monitoring Officer, External Audit Manager, External Auditor and Democratic Services and Scrutiny Officer.

Apologies for absence were received from Councillors Barrett, Harbron, Hull, Lis, Mercer, Wheeler and Greg Robinson (Independent Person).

Start: 6.32pm

Finish: 7.34pm

**Resolved** – That the minutes of the meeting held on 25 June 2019 were approved as a correct record and signed by the Chairman.

### **Minutes for Report**

AC.357

#### **EXTERNAL AUDIT: AUDIT COMPLETION REPORT**

The External Audit Manager submitted the Audit Completion Report for 2018/19. Particular attention was drawn to inconsistencies in classifications of assets. Members were informed that the report was incomplete due to complexities associated with the document detail and CIPFA Code, however, subject to minor amendments, the accounts could be signed and completed prior to the October meeting.

One Member questioned the rolling five-year valuation process. The External Audit Manager provided an assurance about the valuation process, but underlined the importance of correct classification, particularly in cases such as surplus assets. It was advised that surplus assets were dealt with as separate entities and should be re-valued on an annual basis.

The Chief Finance Officer (s151 Officer) thanked External Audit and assured Members that he was working with colleagues to evaluate and update processes, which included the valuation of assets and classifications.

The Chief Finance Officer (s151 Officer) advised that he was confident that all points raised by External Audit could be addressed, especially with the newly appointed valuer in post. The External Audit Manager addressed concerns regarding the delay in completing the accounts, particularly that the CIPFA Code was complex and that the target date for completion (31 July) was an ambitious expectation.

**Resolved** – That the Audit Completion Report is received and noted.

AC.358

#### **STATEMENT OF ACCOUNTS 2018/19**

The Chief Finance Officer (s151 Officer) advised Members about the minor outstanding amendments from External Audit. The final Statement of Accounts could be approved under delegation prior to the October meeting. The Chairman proposed that the certification of the Statement of Accounts was delegated to the Chief Finance Officer (s151 Officer) and the

Chairman of the Audit and Governance Committee, in consultation with the Vice-Chairman of Audit and Governance Committee and the final external auditor's report presented to the October meeting for information.

The Chief Finance Officer and the Chairman expressed their thanks to the Finance team and the external audit team for their work in the production and audit of the council's accounts.

**Resolved –**

- (1) That the Statement of Accounts for 2018/19 are received and noted.
- (2) That the final certification of Statement of Accounts for 2018/19 is delegated to the Chief Finance Officer (s151 Officer) and the Chairman, in consultation with the Vice-Chairman of Audit and Governance Committee.

AC.359

**INTERNAL AUDIT: PROGRESS REPORT**

The Chief Finance Officer (s151 Officer) presented the Internal Audit Progress Report on behalf of Internal Audit. It was explained that the reports were at draft stage and were to be considered at a future meeting. The report also highlighted details of audits that were currently in progress. The Chief Finance Officer (s151 Officer) informed Members that he was meeting with the Audit Services Manager to assess confidence in the programme for 2019/20 being achieved.

**Resolved –** That the contents of the report and appendix are noted.

AC.360

**INTERNAL AUDIT: USE OF AGENCY STAFF AND CONTRACT EMPLOYEES**

The Chief Finance Officer (s151 Officer) presented the report on behalf of the Internal Audit Manager. Members noted that most of the recommendations contained in the report were in relation to wider procurement processes and the Council's Contract Procedure Rules.

The Chief Finance Officer (s151 Officer) informed Members of upcoming work to update the Council's Contract Procedure Rules.

**Resolved –** That the recommendations provided by Internal Audit in relation to Agency Staff and Contract Employees are noted.

AC.361

**INTERNAL AUDIT: IMPLEMENTATION OF RECOMMENDATIONS**

The Chief Finance Officer (s151 Officer) submitted a report which presented an update on the implementation of internal audit recommendations. Members acknowledged, despite some variation in timescales for completion, good progress in relation to completed recommendations. Members also noted the positive work undertaken jointly by Finance and Legal in relation to debtors.

**Resolved –** That the position in respect of implementation of internal audit recommendations is noted.

AC.362

**RISK APPETITE STATEMENT**

The Chief Finance Officer (s151 Officer) submitted a report which presented the Risk Appetite Statement compiled by the Council's Risk Management Group. It was advised that the Risk Appetite Statement had been devised by the Risk Management Group to provide parameters for acceptable levels of risk.

**Resolved** – That the Risk Appetite Statement is approved.

**Minutes for Decision**

There were no items for decision.

Chairman.