

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

DATE OF MEETING: 30th July 2019

**PRESENT: Councillor Marriott (Chair)
Councillors Aldred, Haslam-Jones, Kenyon, Pendlebury (sub
for Cllr Essex), Morris (sub for Cllr Steen) and Procter**

**IN ATTENDANCE: Mr P Seddon, Head of Finance
Mr M Baskerville, Audit Manager, LCC
Mr S Hardman, Engagement Manager, Grant Thornton Auditors
Miss G Ashton, Committee & Member Services Officer**

**ALSO PRESENT: Councillors Oakes and Walmsley
Mrs C Law, HR Manager
2 members of the public**

1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillor Essex (Councillor Pendlebury subbing) and Councillor Steen (Councillor Morris subbing).

2. MINUTES OF THE MEETING HELD ON 19TH MARCH 2019

RESOLVED:

The minutes of the meeting held on 19th March 2019 were agreed as a correct record.

3. URGENT ITEMS OF BUSINESS

3.1 The Chair confirmed that there were no urgent items of business.

4. DECLARATIONS OF INTEREST

4.1 There were no declarations of interest.

5. PUBLIC QUESTION TIME

5.1 The Chair agreed to deviate from the procedure for public speaking and allow members of public present to ask questions as items on the agenda were presented.

5.2 There were no public questions at this point.

6. CHAIR'S UPDATE

6.1 Mr Ali, Co-opted member had resigned from the committee. It was agreed that the chair would write on behalf of members to thank him for his contributions to

the committee. The post had been advertised with a closing date of 23rd August. Interviews had been arranged for 10th September.

7. REVIEW OF AUDIT & ACCOUNTS TERMS OF REFERENCE

7.1 The Head of Finance advised that reviewing the terms of reference annually was useful for new members and was good practice.

7.2 In response to comments made it was noted that:

- The terms of reference for this committee and Overview & Scrutiny may cross over as they were both scrutiny committees.
- A link to the internal audit charter approved by LCC would be provided at the first meeting following elections for members to consider.

RESOLVED:

- That members noted the Terms of Reference.

8. CORPORATE RISK REPORT

8.1 The Head of Finance advised that there were no major changes to the corporate risks. Due to MTFs challenges it was envisaged that risk 1 would probably change from amber to red.

8.2 In response to comments made it was noted that:

- The changes to Phase 2 of Spinning Point and the development of Plot 5, Futures Park would affect the MTFs and would need to be considered.
- The mid-term MTFs would be presented to the October 2019 Cabinet.
- The HR Manager advised that risk 9 didn't just relate to staff training but was in relation to a sustainable workforce.
- The Local Plan Action Plan referred to in risk 7 was probably a plan of timelines for staff to work to. Clarification would be sought.
- The risk register was a live document and officers would note comments made by members and make changes accordingly.
- Customer Service Standards were available on the website; to be circulated to members.

RESOLVED:

- That members noted the Corporate Risk Register as detailed in the report.
- That members noted the risk consequences, mitigation action and level of risk as detailed in Appendix A.

9. ANNUAL FRAUD REPORT

9.1 The Head of Finance advised this was the first report of the Fraud & Compliance Officer who was appointed in May 2018. She had been working in partnership with the DWP, NFI work had been undertaken and there had been some one off projects. She had successfully identified £125,000 of overpayments which had been added back to the ledgers.

- 9.2 In response to comments made it was noted that:
- The Fraud & Compliance Officer's primary role was to review housing benefits. Other areas of potential fraud fell outside the remit of her report.
 - It was confirmed that no other circumstances of fraud had been highlighted during 2018/19.
 - The role of Fraud & Compliance Officer was a permanent post.
 - Thanks would be passed on to the Fraud & Compliance Officer for the report and her continued work.

RESOLVED:

- That members noted the content of the report.

10. INTERNAL AUDIT ANNUAL ASSURANCE OPINION 2018/19

10.1 The Audit Manager advised that they were responsible for advising the council of planned activity, reporting on the results of the audits and providing an annual opinion. He advised that their opinion in relation to governance, risk and control and most of the finance systems for 2018/19 was 'substantial assurance' overall.

10.2 In response to comments made it was noted that:

- The 'Completed' status meant that work had been completed but there was no formal audit report as a result, such as follow up work on implementation of actions from previous audits. 'Final Report' meant that the final, agreed audit report had been issued.
- Any action points identified following audits would be agreed with managers and implementation dates set.
- IDOX was a data management system used by the Planning and Environmental Health teams.
- Actions from previous years' had been implemented and did not need raising in subsequent report.
- A minimum number of audit days had to be completed. From the number of days allocated there was often a carry over and the number of days was never exceeded.
- There were 4 specific areas of focus in the Corporate Improvement Plan; risk, performance management, decision making and procurement. All of which, Internal Audit had seen Improvements.

RESOLVED:

- Members considered the internal audit annual assurance opinion report for 2018/19.

11. VERBAL UPDATE FROM GRANT THORNTON ON THE CURRENT POSITION OF 2015/16, 2016/17 AND 2017/18 FINANCIAL STATEMENTS

11.1 The Engagement Manager, Grant Thornton advised that the 2015/16 financial statements were completed and 2016/17 were almost complete. Responses to queries for the 2017/18 financial statements had been received, however there

were issues with the accounts and entries regarding the bus station and the Plant Property and Equipment (PPE) valuations. Good progress was being made and the issues were being worked through.

11.2 In response to comments made it was noted that:

- The responses received in relation to the PPE re-valuations made sense. A new valuer had been appointed who had provided different asset valuations to the previous valuer. Interpretation of the leases seemed to be the main issue.
- A list of assets was available.
- The auditors' VFM conclusion considered things such as investment in new property, arrangements for the sale of land/property etc. Land/property valuations were not included in the VFM conclusion.

RESOLVED:

- That members noted the verbal update from Grant Thornton.

12. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

- That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

13. STANDARDS COMPLAINTS UPDATE (VERBAL)

13.1 An update was given in relation to Standards Complaints.

RESOLVED:

- That the update was noted.

14. WHISTLEBLOWING UPDATE (VERBAL)

14.1 An update was given in relation to Whistleblowing.

RESOLVED:

- That the update was noted.

The meeting commenced at 6.30pm and finished at 7.30pm

Signed (Chair)

Date