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STROUD DISTRICT COUNCIL www.stroud.gov.uk

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AUDIT AND STANDARDS COMMITTEE

7 April 2015

7.00 pm – 8:26 pm

Council Chamber, Ebley Mill, Stroud

Minutes

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Membership:
Councillor Nigel Studdert-Kennedy (Chair)
Councillor Tom Williams (Vice Chair)
Councillor Dorcas Binns
Councillor Martin Baxendale
Councillor Karon Cross
A = Absent P = Present

Officers in attendance
Strategic Head (Finance and Business Services)
Accountancy Manager
Community and Facilities Manager
Head of Housing Contracts (Interim)

Internal Audit Manager Head of Asset Management Senior Community Safety Officer

Councillor Colin Fryer

Councillor Keith Pearson

Councillor Penny Wride

Councillor Rhiannon Wigzell

Others in attendance Darren Gilbert - KPMG

AC.049 APOLOGIES

Apologies for absence were received from Councillors Keith Pearson and Dorcas Binns.

AC.050 DECLARATIONS OF INTEREST

There were none.

AC.051 MINUTES

Members commented on the lack of detail in the minutes and asked that future minutes of meetings contain more information.

RESOLVED That the Minutes of the meeting of the Audit and Standards Committee held on 3 February 2015 are approved as a correct record and signed by the Chair.



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AC.052 PUBLIC QUESTION TIME

None received.

AC.053 AUDIT AND STANDARDS WORK PROGRAMME

Members added the following items to the Work Programme for 29 September 2015.

- Review of Code of Conduct and Standards Panel
- Review of Homelessness Reviews

RESOLVED To note the work programme, subject to the inclusion of the above in the 2015/16 work programme.

AC.054 INTERNAL AUDIT PLAN MONITORING PLAN

The Internal Audit Manager provided an update on the Housing Contract audit by advising Members that the Housing Contract team were in the process of agreeing the Final Account with the contractor, but were still awaiting some further information before agreement of the final amount payable can be made.

Concern was expressed about the recommendations of previous audits not being implemented - Cash and Bank and Sundry Debtors Audits – the Accountancy Manager explained that the necessary controls had now been put into place.

RESOLVED The Committee RESOLVES to accept the report and the assurance given on the adequacy of internal controls operating in the systems audited.

AC.055 UPDATE ON CAR PARK AUDIT

The Head of Asset Management explained that officers were finalising the management agreement and had just reached agreement on the replacement of the pay-on-foot equipment in the Merrywalks multi-storey car park. Procurement of these will take place in the very near future.

The Community and Facilities Manager gave a verbal update. Issues with the car parking machines and the reconciliation process are being looked at by officers. The contingency plan has not been tested and this is to be made a priority.

In answer to a Member question relating to the control of cash, the Senior Community Safety Officer explained that the cash reconciliation issues had been resolved.

Members requested that a further update to be provided in September

RESOLVED To note the report.

AC.056 UPDATE ON BRIMSCOMBE PORT AUDIT

The Head of Asset Management gave a verbal update. Taking over Brimscombe Port accounts has been difficult, although the understanding of them at the end of the first full financial year is much improved. The necessary information is being reported to the SVCC Board on a quarterly basis and all the recommendations in the audit report have been implemented. No lottery funding is in place for Brimscombe Port.

RESOLVED To note the report

AC.057 KPMG FINANCIAL STATEMENTS 2014/15 AUDIT PLAN

Darren Gilbert gave a verbal update. The Audit Plan is a familiar format to previous years. Examples of areas of work which will be considered are:

- Decent Homes funding
- Canal Project the finalising of the financial implications relating to this project is taking place and a report will be presented to Strategy and Resources Committee in June 2015.
- Procurement

RESOLVED To note the report

AC.058 INTERNAL AUDIT PLAN 2015/16

The Internal Audit Manager provided Members with details of the proposed Internal Audit Plan for 2015/16, this was attached to his report as Appendix A. The Plan detailed the audits to be undertaken during the year. In response to a Member question about the time taken to complete an audit, the Internal Audit Manager stated that the audit days allocated to each audit is based on past experience, and represents the amount of time needed to provide a the level of assurance on the system controls being tested.

RESOLVED The Committee RESOLVES to approve the Internal Audit Plan 2015/16 as detailed in Appendix A.

AC.059 REVIEW OF EFFECTIVENESS OF THE AUDIT AND STANDARDS COMMITTEE

The Internal Audit Manager presented the report which brings together the results of the review undertaken. Areas of work for Committee to consider are set out in the report.

Members were concerned about training, and having expertise on the Committee. Discussion took place on how to ensure that members of committee were trained, to monitor what training is taking place and who has attended, although it was recognised that the Committee should be for all members, not just Members with expertise in Audit and Standards. One option put forward by Darren Gilbert of KPMG would be to co-opt an independent member who is familiar Audit and Standards. The function of Committee is to challenge and ask questions and this review will benefit incoming Members in 2016.

The review did not consider the Standards work of the Committee in any detail, one Member commented that Tenancy Reviews take place during the year and it would be useful to have information relating to these in the Guide to Audit and Standards Committee Work, and reference to this work included in the Annual Report shown in Appendix C.

- RESOLVED 1. The Committee RESOLVES to note the outcome of the review of effectiveness of the Audit & Standards Committee.
- RECOMMENDED 2. Subject to any amendments the Committee wishes to TO COUNCIL make, that the Annual Report of the Audit & Standards Committee, as shown in Appendix C, be approved.
- AC.060 OUTCOME OF PROCUREMENT REVIEW AND ACTION PLAN

The Strategic Head (Business and Finance) presented the report. A Procurement Board of officers has been set up to provide more robust governance arrangements around procurement and to ensure all procurement activity is properly managed and resourced.

An action plan is in place and will be monitored by the Procurement Board. The measures put in place following the external review should address the issues relating to letting contracts and contract management that have previously been reported to the Committee.

An update will be given to Committee in September and December 2015.

RESOLVED To support the actions being taken to address the issues identified by the external review of the Council's procurement processes.

AC.061 <u>MEMBERS' QUESTIONS</u>

There were none.

The Chair thanked Committee for all their work during the Civic Year, also thanking officers for their help and assistance during the year.

The meeting closed at 8.26 pm.

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