

AUDIT AND STANDARDS COMMITTEE

7 July 2015

7.00 pm – 8.48 pm

Council Chamber, Ebley Mill, Stroud

Minutes

3

Membership:

Councillor Nigel Studdert-Kennedy (Chair)	P	Councillor Colin Fryer	P
Councillor Tom Williams (Vice Chair)	P	Councillor Keith Pearson	P
Councillor Martin Baxendale	P	Councillor Rhiannon Wigzell	P
Councillor Karon Cross	A	Councillor Penny Wride	P
Councillor Stephen Davies	A		

A = Absent P = Present

Officers in attendance

Accountancy Manager
 Internal Audit Manager
 Principal Accountant

Others in attendance

Darren Gilbert - KPMG

AC.001

APOLOGIES

Apologies for absence were received from Councillors Karon Cross and Stephen Davies.

AC.002

DECLARATIONS OF INTEREST

There were none.

AC.003

MINUTES

An amendment to minute AC.053 was requested to be made to reflect the correct title of Homelessness Reviews.

RESOLVED

That the Minutes of the meeting of the Audit and Standards Committee held on 7 April 2015 are approved, with the amendment stated above, as a correct record and signed by the Chair.

AC.004

PUBLIC QUESTION TIME

None received.

AC.005 **AUDIT AND STANDARDS WORK PROGRAMME FOR 2015/16**

Members added the following items to the Work Programme

29 September 2015.

- Update on Code of Conduct and Standards Panel
- Update on Homelessness/Notice of Possession Proceedings Reviews

26 November 2015

- Update on Car Park Audit

Members discussed the addition of a meeting on 27 October 2015 to the schedule of meetings.

Discussion took place on an item to be added to the work programme relating to local investments, particularly in Credit Unions. The Accountancy Manager explained that there was a Treasury Management Strategy in place, which made clear the criteria for investing locally through the treasury management route. This may need to be considered by the Community Services and Licensing Committee.

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

AC.006 **KPMG – AUDIT FEE LETTER 2015/16**

The Committee considered the audit work and fee proposed for the 2014/15 financial year. This set out the responsibilities under the Local Audit and Accountability Act 2014.

Members asked questions relating to audit fees and KPMG carrying out in-depth work. KPMG confirmed that the fees funded a team for SDC as well as a wider team.

RESOLVED **To note the Letter**

AC.007 **KPMG – INTERIM AUDIT LETTER**

The Committee considered a letter from the external auditors setting out the audit plan and particular areas of interest to be focused on.

A meeting of Committee Members and external auditors would take place at 6.00 p.m. on 29 September 2015 prior to Audit and Standards Committee at 7.00 p.m.

RESOLVED **To note the Interim Audit Letter**

AC.008**ANNUAL GOVERNANCE STATEMENT 2014/15**

The Accountancy Manager presented the report. The Annual Governance Statement reviews the system of internal control on an annual basis. The following comments were made:

- Para 12.1 – page 24 should include Scrutiny as a function of each committee.
- Para 4.4 – page 20 – performance management is very variable through each Committee. The Internal Audit Manager will amend wording of this paragraph for Members to approve. The amendment will be based on the discussions held at the recent Strategy and Resources Committee where the subject of Performance Management/Scrutiny was discussed.
- Para 8.2 – page 22 relating to Member Development, members requested the rewording of this paragraph to remove a sentence relating to poor attendance at training events and replacing it with a statement that they were engaged in Member development.

Subject to these amendments, it was:

RESOLVED **The Committee approves the Annual Governance Statement 2014/15 as set out in Appendix A.**

AC.009**ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY AND ACTUAL PRUDENTIAL INDICATORS 2014/15**

The Principal Accountant presented the report. He explained that the Audit & Standards Committee has the role of scrutiny in Treasury Management, and this report sets out the outturn of the Treasury Management Strategy approved in February 2014.

Discussions took place on the 30 year business plan for the HRA and how that is performing. Questions were asked about the Right to Buy receipts. The Accountancy Manager would ask the HRA Accountant to give an explanation to Members on this.

RESOLVED **To approve the treasury management activity annual report for 2014/15 and the actual Prudential Indicators.**

AC.010**INTERNAL AUDIT PLAN MONITORING REPORT**

The Internal Audit Manager presented the report of Audits completed within 2014/15 Audit Plan.

- (a) Creditors – processes have been put in place so this service was not, in future, relying on one person.
- (b) Payroll – recommendations have been made to the manager, in relation to salary overpayments.
- (c) ICT – Members and Officers have the same security checks if they are working at home on CITRIX.

The Internal Audit Manager stated that follow-up audits would be undertaken in October to ensure that agreed recommendations had been implemented. Any High

or Medium Priority recommendations that had been implemented by the agreed date would be reported to Committee in November or January.

RESOLVED **To accept the report and the assurance given on the adequacy of internal controls operating in the systems audited.**

AC.011 **REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**

The Internal Audit Manager presented the report on the review as required under the Accounts and Audit (England) Regulations 2011.

RESOLVED **(a) Approve the review process**
(b) Note the outcome of the review of the effectiveness of Internal Audit.

AC.012 **INTERNAL AUDIT ANNUAL REPORT 2014/15**

The Internal Audit Manager presented the report which he is required to produce in accordance with the Public Sector Internal Audit Standards (PSIAS). He explained that the report included his opinion that a satisfactory level of assurance can be given that there is a generally sound system of internal control, designed to meet the Council's objectives, and that controls are generally being applied consistently. Following a question from a Member, the Internal Audit Manager stated that controls are the responsibility of management. If an audit identifies that management controls are not being complied with, or inadequate controls in place to mitigate against an identified risk, appropriate recommendations will be made to the manager. There is a process of escalation if high priority recommendations are not accepted.

RESOLVED **To endorse the assurance from the Internal Audit Manager that a satisfactory level of assurance can be given that there is a generally sound system of internal control designed to meet the Council's objectives and that controls are generally being applied consistently.**

The Chair of the Committee requested an update from the Internal Audit Manager on the audit report relating to the provision of Youth Services. The Internal Audit Manager stated the report should be issued to the members of the Committee by the end of July.

AC.013 **MEMBERS' QUESTIONS**

There were none.

The Chairman reminded members of the Introductory to Finance meeting on 23 July 2015 and encouraged members of the committee to attend.

The meeting closed at 8.48 pm.

Chair