

AUDIT COMMITTEE

Minutes of the meeting held on 9 January 2018 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Reay (Vice Chairman)

Cllrs. Clack, Layland, McArthur, Purves, Reay and Searles

An apology for absence was received from Cllr. Ball

Cllr. Scholey was also present.

WELCOME

The Chairman welcomed Alan Mitchell the new Head of Finance.

27. Minutes

Resolved: That the minutes of the meeting of the Audit Committee held on 26 September 2017 be agreed and signed as a correct record.

28. Declarations of Interest

No additional declarations of interest were made.

29. Actions from Previous Meeting

There were none.

30. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations

There were none.

31. External Audit - Annual Audit Letter 2016/17

The Chairman welcomed Sarah Ironmonger and Sebastian Evans from Grant Thornton. Members' noted that Geoffrey Banister had retired and Sebastian Evans was the new Audit Manager, and that Grant Thornton had been reappointed as the Councils external auditors for the next 5 years.

Sarah Ironmonger summarised the key issues of the 2016/17 audit, and advised that the full report would be made available online. The Audit process had run smoothly and the major challenge for the following year would be the new timetable.

Audit Committee - 9 January 2018

Resolved: That the report be noted.

32. External Audit - Housing Benefit Subsidy 2016/17

Members considered a report which contained the outcome of the 2015/16 audit. The external auditors were required to audit the Housing Benefit Subsidy each year. The audit fee for grant claims in 2016/17 was £13,845, which was less than previous years.

Sebastian Evans reported that no fresh errors had been identified in the 2016/17 return and the number continued to be small. In response to questions Members were advised that if errors were found a second sample would be tested. There were no new errors, and the errors were not huge amounts.

The Chief Finance Officer reminded Members that the Department for Work and Pensions (DWP) stipulated high standards of accuracy resulting in any claims being incorrect by as little as 1p were classified as errors and additional testing was then required on a larger sample.

Sarah Ironmonger advised that it was a complex process and the errors could be simple human error. If the audit fee were increasing then Members may wish to further assess procedures, however the audit fee was lower than previous years. Across the country with the challenges local authorities were facing more of these errors were being identified and it was rare not to find any errors. The Chief Finance Officer reported that there was an in-house quality team which investigated any areas of concern.

Resolved: That the report be noted.

33. Internal Audit 2017/18 - Second Progress Report

The Acting Audit, Risk and Anti Fraud Manager presented the report which set out the progress made by the Internal Audit Team in delivering the Council's assurance requirements for 2017/18 and provided a summary of final reports issued since the meeting of the Audit Committee in September 2017. For the benefit of Members she went through each report answering any questions.

In response to a question the Chief Finance Officer advised that a report on the external review of internal audit would be submitted to the next meeting of the Committee.

Resolved: That

- a) the contents of the report and the progress made by the Internal Audit Team in delivering the 2017/18 Annual Internal Audit Plan, be noted; and
- b) the amendments to the internal Audit Plan 2017/18, be approved.

Audit Committee - 9 January 2018

34. Report on Internal Audit Recommendations Outstanding

The Acting Audit, Risk and Anti Fraud Manager presented a report on recommendations outstanding which enabled Members to review the timeliness of implementation of Internal Audit recommendations. It was noted that there were no recommendations, with a risk ranking of medium or high, that had not been implemented by the agreed completion date.

Members were very pleased with the progress made and the work of the Audit team.

Resolved: That

- a) it be noted that there were no recommendations, with medium or high ranking risks, where implementation had been delayed; and
- b) the work and progress made by the internal Audit team be commended.

35. Workplan

The work plan was noted with the following additions made to the April meeting: an update report on the external review of the internal audit; if the concept of the Council's own affordable housing company was progressed, a report looking at the risks as previously carried out for the Property Investment Strategy; and, the 'External Audit Annual Audit Plan and update' moved forward from the summer meeting so as to be in line with the new timetable.

THE MEETING WAS CONCLUDED AT 7.50 PM

CHAIRMAN