

## AUDIT COMMITTEE

Minutes of the meeting held on 17 April 2018 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Reay (Vice Chairman)

Cllrs. Ball, Clack, Halford, McArthur, Purves, Reay and Searles

Cllrs. Scholey was also present.

### 36. Minutes

Resolved: That the minutes of the meeting of the Audit Committee held on 9 January 2018 be agreed and signed as a correct record.

### 37. Declarations of Interest

No additional declarations of interest were made.

### 38. Actions from Previous Meeting

There were none.

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

There were none.

### 40. External Audit - Annual Audit Plan

The Chairman welcomed Sebastian Evans from Grant Thornton who presented the External Audit Plan for the year ending 31 March 2018. He advised that the significant risks considered included fraudulent transactions in the revenue cycle and management override of controls, which were both presumed risks and non-specific to Sevenoaks. No significant risks had been identified so far.

In response to questions, Members were advised that the new statutory deadline for publishing the accounts by 31 July had placed additional pressures on all involved but there would be no reduction in the quality of accounts and Sebastian Evans and Alan Mitchell were confident the new deadline would be met.

Resolved: That the report be noted.

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### CHANGE IN ORDER OF AGENDA ITEMS

With the agreement of the Committee, the Chairman took agenda item 9 before agenda item 6.

#### 41. Statement of Accounts 2017/18 - setting up a Member Working Group

The Head of Finance presented a report for the Statement of Accounts 2017/18 which was to be prepared by 31 May and then approved by members by 31 July. The Chairman suggested that a small working group be established to review the draft during June and sought volunteers. If approved Officers would arrange the first meeting date.

Resolved: That

- a) That a Member Working group be set up to review the 2017/18 draft Statement of Accounts
- b) Membership of the working group to be Councillors Searles (Chairman), Cllr. Grint, Cllr. Reay, Cllr. Halford, Cllr McArthur, with the Portfolio Holder for Finance also invited to attend.

#### 42. Internal Audit 2017/18 3rd 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 Annual Internal Audit Plan 2017/18 and outcomes of final Internal Audit reports issued since the meeting of the committee in January 2018.

It was confirmed that there had been no change in the resourcing of the Internal Audit Team since the last committee meeting. An update on staffing would be provided at the next meeting.

Resolved: That 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.

#### 43. Report on Internal Audit Recommendations Outstanding

The Acting Audit, Risk and Anti-Fraud Manager presented the report which updated members on progress of the implementation of Internal Audit Recommendations agreed with management, and to report on outstanding recommendations due for implementation by 31 January 2018. Members were pleased that for the second time this year, there were no recommendations with a risk ranking medium or high that remained outstanding.

Resolved: That there were no recommendations outstanding that had not been implemented by the agreed completion date.

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### 44. Annual Governance Statement 2017/18

The Chief Finance Officer presented the report. The Annual Governance Statement (AGS) was a corporate document that explained the Council's governance arrangements and the controls it employs to manage the risk of failure to achieve strategic objectives. It was owned by all Senior Officers and Members of the Council.

The process confirmed that the Council has sound systems of internal control and good governance arrangements in place. No significant governance issues had been raised through the AGS process.

Resolved: That the Annual Governance Statement 2017/18, which accompanied the Council's Accounts be agreed for signature by the Leader of the Council.

### 45. Internal Audit Plan 2018/19

The Acting Audit, Risk and Anti-Fraud Manager presented the report which incorporated the Annual Internal Audit Plan and Programmed Reviews for 2018/19. The objective of the plan was to ensure that Internal Audit resources were deployed in order to add value to the Council's objectives, whilst delivering reasonable assurance to the Council, regarding the effectiveness of internal control governance and risk management processes.

Members discussed the Community Infrastructure Levy (CIL) and when it should be reviewed by the Audit Committee.

*Action: for the acting Audit, Risk and Anti-Fraud Manager to circulate the Internal Audit Plan to all members.*

Resolved: That the draft Internal Audit Plan for 2018/19 be approved.

### 46. Annual Report to Council

The Committee considered the Chairman's annual report for submission to the Council meeting on 15 April 2018.

Resolved: That the report be commended to Council.

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### 47. Work Plan

Members were advised of the following additions to The Work Plan  
08/01/2019 - External Audit - Annual Audit Letter 2017/18  
External Audit - Housing Benefit Subsidy 2017/18  
Internal Audit 2018/19 - 2<sup>nd</sup> Progress report  
A report on Internal Audit Recommendations Outstanding.

A potential addition of Income Strip Funding - Risk Assessment was also noted.

THE MEETING WAS CONCLUDED AT 7.57 PM

CHAIRMAN