

AUDIT COMMITTEE

Minutes of the meeting held on 13 June 2017 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Reay (Vice Chairman)

Cllrs. Ball, Layland, McArthur, Purves, ~~Reay~~* and Searles

An apology for absence was received from Cllr. Clack

Cllr. Scholey was also present.

1. Minutes

Resolved: That the minutes of the Committee held on 18 April 2017 be agreed and signed as a correct record.

2. Declarations of Interest

There were none.

3. Actions from Previous Meeting

The actions were noted.

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

There were none.

5. External Audit - Statement of Accounts training

Sarah Ironmonger from Grant Thornton gave a 20-minute [training presentation](#) on the Statement of Accounts for Members of the Audit Committee and Members had the opportunity to ask questions. The purpose of the training was to increase Members understanding of the Statement of Accounts and to prepare those who would become part of the Working Group looking at the Statement of Accounts 2016/17.

Resolved: That the information provided be noted.

6. Statement of Accounts 2016/17 - Establishment of Member Working Group

Until 2009/10, it was a requirement of the Accounts and Audit Regulations 2003 that Members' approve the Draft Statutory Statement of Accounts by 30 June following the financial year-end and that the Audited Statutory Statement of

* Amendment to minute agreed at meeting of 26 September 2017.

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Accounts be approved by 30 September. In 2010/11, these requirements changed and now only the Audited Statutory Statement of Accounts had to be approved by Members by 30 September.

As the Statement of Accounts were very detailed, the Chairman suggested that a small working group be established to review the draft during July and sought volunteers. If approved Officers would arrange the first meeting date. Requests were made for no meetings earlier than 6.00 p.m. and not Mondays.

Resolved: That

- a) a Member Working group be set up to review the 2016/17 Draft Statement of Accounts;
- b) the working group be delegated the authority to recommend changes to the Statement of Accounts ensuring that they still adhered to the statutory regulations, and report back to the September Audit Committee; and
- c) membership of the working group be Councillors Grint (Chairman), Reay (Vice Chairman), Ball, Layland and McArthur with the Portfolio Holder for Finance invited to attend.

7. External Audit - Annual Audit Plan

Sarah Ironmonger from Grant Thornton presented the Audit Plan 2016/17.

Resolved: That the report be noted.

8. Counter-Fraud & Compliance Report 2016/17

The Fraud Manager presented the report which set out the work conducted by the new Counter Fraud & Compliance Team during 2016/17. Members were requested to note the report and the plans for the future. Members discussed the benefits of the new risk-based verification (RBV) process. The Fraud Manager also believed the move from Dartford to being based within the revenues and benefits team, had assisted the process. There would be an article in the Council's InShape magazine on the new scheme of civil penalties.

Resolved: That the work of the Counter Fraud & Compliance Team carried out during the year ended 31 March 2017, be noted.

9. Internal Review of Effectiveness of Internal Audit 2016/17

The Principal Auditor presented the report which gave her opinion that the Council's arrangements in place for Internal Audit, in 2016/17 were substantially compliant with the Public Sector Internal Audit Standards (PSIAS). The Principal

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Auditor explained to members that although there are a few areas that are not fully compliant with PSIAS an action plan has been developed to address this.

Resolved: That the conclusion of the Annual Self-assessment Review of the Effectiveness of Internal Audit Service 2016/17, and that the Council had an adequate and effective Internal Audit service, which contributed towards the proper, economic and effective use of resources in achieving its objective, be noted.

10. Internal Audit Annual Report 2016/17

The Principal Auditor presented the report which set out the achievements of the Internal Audit Team for the period 2016/17, and concluded that the Council's arrangements for internal control and risk management were effective. The opinion was based on the work completed by Internal Audit during the year and other available sources of assurance. In response to a question she advised that the better record of implementation of recommendations was down to the team's hard work and her being copied into emails to the relevant service managers enabling her to more readily identify any potential issues.

Resolved: That

- a) the work of the Internal Audit Team for 2016/17 be noted; and
- b) the Principal Auditors opinion that the Council had effective internal controls, risk management and governance arrangements in place for delivering its objectives and the management of its business risks, be supported.

11. Annual Governance Statement 2016/17

The Chief Finance Officer presented the report. The Annual Governance Statement (AGS) was an important corporate document which explained the Council's governance arrangements and the controls it employed to manage the risk or failure to achieve strategic objectives. The Council was responsible for ensuring that its business was conducted in accordance with the law, proper standards, good governance and that public money was safeguarded and properly accounted for.

The document was owned by all Senior Officers and Members of the Council, and had been reviewed by the Officers' Risk Group and approved by the Strategic Management Team. The Chief Executive, Chief Officers and Managers were involved in the process and completed a detailed questionnaire to raise any issues that could be included in the AGS.

There were no significant governance issues raised in the AGS and no areas were identified for further enhancement. It therefore, confirmed that the Council had sound systems of internal control and good governance arrangements in place in 2016/17.

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Resolved: That the Annual Governance Statement 2016/17, which accompanied the Council's Accounts be agreed for signature by the Leader of the Council.

12. Internal Audit Strategy 2017/18

The Principal Auditor introduced the report which presented the Internal Strategy which was subject to annual review and set out how internal audit resources would be allocated or deployed in order to meet the expectations of key stakeholders, as well as delivering regulatory assurance. It sat side by side with the Internal Audit Charter and was linked to organisational objectives and priorities. It was therefore a key document affecting the effectiveness of Internal Audit. The Audit Committee was required to approve the Strategy, as part of its terms of reference remit, to oversee the effectiveness of the Council's Internal Audit Service.

Resolved: That the contents of the report be noted, and the Internal Audit Strategy 2017/18 approved.

13. Audit Committee Training 05/06/17 - Discussion

Members discussed the external training provided by CIPFA on 5 June 2017 which was jointly held with Dartford Borough Council Audit Board Members, covering: Case study using a standard internal audit report; Roles and responsibilities; Risk Management; and Fraud and Corruption.

Members had thought the training worthwhile but the number of topics covered on the night meant that it may have been better taken in two evening sessions.

Action 1: The Chief Finance Officer to circulate the training presentation.

Resolved: That training continue to be monitored and reviewed.

14. Work Plan

The work plan was considered, with Local Code of Corporate Governance added to the meeting in September 2017.

THE MEETING WAS CONCLUDED AT 8.28 PM

CHAIRMAN