

#### **Item 4 - Audit Committee minutes of meeting 27 September 20016**

Cabinet are asked to note the [Audit Committee](#) minute extracts below:

##### **21. Statement of Accounts 2015/16**

The Committee welcomed Sarah Ironmonger, the Engagement Lead and Geoffrey Bannister, the Audit Manager from the Council's External Auditors, Grant Thornton to the meeting.

The Head of Finance presented a report on the Statement of Accounts 2015/16 and the representatives of Grant Thornton explained their findings on the Statement of Accounts, which were to be signed off by 30 September 2016. The accounts gave a true and fair view of the Council's position and had been properly prepared in accordance with the Code of Practice. No adjustments were found that affected the Council's reported financial position and no changes were required to the major statements. Grant Thornton hoped to sign off the Accounts with an unqualified audit opinion. An unqualified opinion had been given on the Council's Value for Money arrangements, confirming that the Council had proper arrangements in place.

Sarah Ironmonger highlighted that from 2017/18 all Councils would be required to publish their audited financial statements by 31 July and so significant progress would be needed to deliver the same volume of work in a more intense shorter period. There had been a significant improvement in the quality of the financial statements when compared to the previous year, resulting in fewer adjustments to the notes. Three issues had been raised in relation to internal controls. Minor disclosure issues had been raised which did not change the final reported financial position. She advised that Grant Thornton had been supported very positively by the Council throughout the process.

The Committee was also asked to agree that the Chairman of the Audit Committee sign a representation letter to Grant Thornton for the Financial Statements for the year ended 31 March 2016 to confirm that the financial statements gave a true and fair view.

The Chairman noted the audited pension fund liability of £62 million, which was significantly different from the last actuarial assessment of £25 million. However this deficit was not considered an area of concern. The two figures were calculated in different ways and the Council was meeting its liabilities as they came due. Sarah Ironmonger explained that the audited figure was based on the immediate closure of the fund and did not take account of returns from the fund. The Chief Finance Officer confirmed that the Finance Advisory Committee was due to consider the matter after the triennial revaluation.

The Committee thanked the Head of Finance and her Team for their immense hard work in preparing the accounts and to Grant Thornton for carrying out the audit.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the Statements of Accounts for 2015/16 be approved;
- b) the audit letter of representation be approved and signed by the Chairman; and
- c) **Cabinet be advised of the significant variation between the audited and actuarial assessments of the pension fund liabilities.**

### 22. Internal Audit 2016/17 - 1st Progress Report

The Committee expressed disappointment that the Audit, Risk & Anti-Fraud Manager had been unable to attend the last 3 Audit Committee meetings and Internal Audit was not represented at the meeting. Members agreed that this could hamper their work and that Cabinet's attention be brought to this.

The Chief Finance Officer presented a report that detailed the progress of the Internal Audit Team in delivering the Annual Internal Audit Plan for the year 2016/17 and the outcome of the final Internal Audit reports issued since the meeting of the Audit Committee on 30 June 2016. Since the previous meeting 9 reports had been issued. Against the 2016/17 Internal Audit Plan a total of 6 reviews had commenced, with 3 in progress and 3 final reports issued.

The absence of a team member from a small team for a length of time had an effect on the team. Officers would therefore carry out a review of the resources required and the likely impact on the Internal Audit Plan.

Members discussed the final reports issued, which had been summarised.

*Action 3: Officers to ensure that transparency information is readily available through the Council's website.*

## Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the report and the progress made by the Internal Audit Team in delivering the 2016/17 Annual Internal Audit Plan be noted; and
- b) **Cabinet be advised that the absence of the Audit, Risk & Anti-Fraud Manager at 3 consecutive meetings of the Audit Committee could hamper the work of the Committee.**