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## **MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT THE TOWN HALL, PETERBOROUGH 22 SEPTEMBER 2016**

Present: Councillors Fuller (Chairman), Aitken (Vice Chairman), Over, Sims and Barkham

Also

Present: Councillor Seaton Cabinet Member for Resources

Officers in

Attendance: Steven Pilsworth, Service Director Financial Services  
John Harrison, Corporate Director, Resources  
Kirsty Nutton, Head of Corporate Finance  
Keith Dawson, Head of Resilience  
Janet Dawson, Audit Partner, Ernst and Young LLP  
Jane Webb, Senior Democratic Services Officer

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Murphy and Shaheed. Councillor Barkham was in attendance as a nominated substitute.

### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3. MINUTES OF THE MEETING HELD ON 29 JUNE 2016**

The minutes of the meeting held on Wednesday, 29 June 2016 were approved as an accurate and true record.

### **4. AUDIT STATEMENT OF ACCOUNTS TO THOSE CHARGED WITH GOVERNANCE**

The Corporate Director Resources introduced the report to Committee, which outlined the Draft Statement of Accounts for year ending 31 March 2016 and the Statement of Accounts. The Committee were advised that there had been some slight changes but these had not been of a substantial nature. The Committee was also advised that there had been a slight amendment tabled to Note 13 on page 84 – Related Parties and Note 27 on page 108 – Council Leasing Arrangements of the agenda pack which have been appended to the minutes.

Janet Dawson from (EY), also highlighted a number of key points for Members attention in relation to the Audit of Statement of accounts report.

Key points highlighted included:

- Minor elements required completing but would be finalised before the deadline of 30 September;
- Response awaited from the Pension Fund Auditor; this had now been received and showed no issues;
- Value for money arrangements;
- Procedures for National Audit Office – deadline 21 October 2016; work would be completed in time but the Compliance Certificate would be left open until the final works were concluded;

- Great support and high quality work received from the Finance Team;
- Property, plans and equipment valuations; and
- Better Care Fund.

The Service Director Financial Services, Corporate Director Resources and Janet Dawson of EY responded to comments and questions raised by Members. In summary responses included:

- The corrected audit differences were minor;
- Auditor fees not yet set, this would be reported back and assurances given of no more than 10% would be charged;
- EY concluded positively on the value for money arrangement;
- The focus of attention had been on delivering the audit but as working relationships developed EY may then be able to identify areas of savings;
- It was appreciated and noted that EY and the Finance team had worked well together; the quality of the work produced and the outcome of the audit showed the effort of the Finance team which was appreciated;
- Members commented that it was good to note EY had explored the proposals of MRP which was a substantive piece of work and this gave confidence;
- Value for Money – provided confidence for the future;
- Summary or Risk associated with VFM made good reading.

## **ACTION AGREED**

### **The Committee:**

1. Received and approved the “Audit Results Report - (ISA260) for the year ended 31 March 2016” from Ernst & Young (EY), the Council’s external auditors; and
2. Received and approved the audited Statement of Accounts 2015/16.

## **5. RISK MANAGEMENT: STRATEGIC RISKS**

The Head of Resilience introduced the report to Committee, which outlined Risk Management: Strategic Risks, which was submitted to the Audit Committee as a routine planned report on risk management.

The Head of Resilience responded to comments and questions raised by Members. In summary responses included:

- Information governance included digital safeguarding of both paper and electronic records. The correct policies were in place regarding disclosure of information and were constantly evolving;
- Computer security was covered by Information Communications Technology ICT policies;
- Strategic risks were identified by departments via a risk register and escalated where necessary to Corporate Management Team who then decided if it was necessary to record them on the Risk Register;
- As a standard part of the procurement process it was scrutinised and stressed tested in terms of ability to deliver alongside safeguards in terms of payment arrangements;
- Discussions took place with regard to how often the Committee should be updated to those areas within the red zone;
- When the risk score remains unchanged, the associated action points should be taken into consideration as they had often been considerably expanded since the previous register; in order to introduce extra measures to try to reduce the score; and
- The Financial Position score had improved since the last register; this had been due to the time within the year of the update rather than year on year.

## **ACTION AGREED**

The Committee noted the latest Risk Management Report.

### **The Committee Also Agreed:**

That the Head of Resilience would provide an update to be circulated by email to the Committee to keep Members appraised on those risks with a red rating.

## **INFORMATION AND OTHER ITEMS**

### **6. USE OF REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

The Committee noted that there had been no RIPA authorisations in this quarter.

### **7. APPROVED WRITE-OFFS EXCEEDING £10,000**

The Committee noted that there had been no write-offs amounts to report since 29 June 2016 which exceed the Council's Financial Regulation threshold of £10,000.

### **8. FEEDBACK REPORT**

The Chairman introduced a report, which provided feedback on items considered or questions raised at the previous meeting of Audit Committee. It also provided an update on specific matters which were of interest to the Committee or where the Committee had requested to be kept informed of progress.

## **ACTION AGREED**

### **The Committee:**

Noted the report.

### **9. WORK PROGRAMME**

The Chairman submitted the latest version of the Work Programme for the Municipal Year 2016/2017 for consideration and approval. The standard report provided details of the proposed Work Programme for the Municipal Year 2016/2017 together with any training needs identified.

The Service Director Financial Services informed the Committee that there would be an additional report received at the 21 November 2016 meeting in regards to how the Council would appoint its external Auditors in future years.

## **ACTION AGREED**

### **The Committee:**

Noted and approved the 2016/2017 Work Programme.

7:00pm – 7:45pm  
Chairman

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