



**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD AT 7:00PM, ON
MONDAY, 25 MARCH 2019
FORLI ROOM, TOWN HALL, PETERBOROUGH**

Present: Councillors Over (Chairman), Ellis, Shaheed, Shaz Nawaz, Coles, Aitken and Warren

Officers in

Attendance: Peter Carpenter, Acting Corporate Director of Resources
Steve Crabtree, Chief Internal Auditor
Dan Kalley, Senior Democratic Services Officer
Fiona McMillan, Director of Law and Governance

Also in

Attendance:

49. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Elsey. Councillor Coles attended as substitute.

50. DECLARATIONS OF INTEREST

No declarations of interest were received.

51. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 11 FEBRUARY 2019

The minutes of the meeting held on 11 February 2019 were agreed as a true and accurate record.

52. INTERNAL AUDIT PLAN 2019/20

The Audit Committee received a report in relation to the Internal Audit Plans for 2019/20.

The purpose of the report was for the Committee to review and agree the proposed internal audit activity for the 2019/20 year.

The Chief Internal Auditor introduced the report and confirmed that the report as well as the Plans contained the teams Audit Charter and how this operated along with the teams Code of Ethics. Emerging issues reported in February had been taken forward to departmental meetings to formulate appropriate plans. Internal Audit would follow risk assessment processes as in previous years.

Some of the issues identified could drop off the list as the year goes on, depending on its overall risk.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The Peterborough Investment Partnership and Norfolk Property Services had been looked at in the current year and audit work had been, or was in the process of being completed. Reports would be produced. The new Cabinet Shareholder sub-committee would scrutinise the Council's companies and joint ventures, ensuring consistent standards of governance were upheld.
- Peterborough City Council provided the audit services to the Combined Authority. There was no risk to Peterborough City Council. Officers ensured that all reviews and any recommendations that had been made were carried out.

The Audit Committee considered and **RESOLVED** (Unanimously) to:

1. Agree to the Internal Audit Charter for 2019 / 2020 (Appendix A);
2. Agree to the Internal Audit Code of Ethics 2019 / 2020 (Appendix B); and
3. Approve the Internal Audit Strategy and Plans for 2019 / 2020 (Appendix C, D).

53. NEW ACCOUNTING STANDARDS

The Audit Committee received a report in relation to new accounting standards.

The purpose of the report was for the Committee to understand the new accounting standards and their impact on Peterborough City Council.

The Acting Corporate Director Resources introduced the report and confirmed that the report set out three new standards that the Council would have to follow.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The Council did not currently have many leases in place. The largest was the lease on the dust carts. The Council would need to weigh up the risks of leasing new vehicles in a few years time, versus using capital expenditure to purchase the vehicles outright.
- The advantage of having a lease was that all expenditure and benefit was rolled into one package. However the Council would need to evaluate the risk of entering into lease agreements on a case by case basis.

The Audit Committee considered and **RESOLVED** (Unanimously) to:

1. Note the impact on the Council's 2018/19 Statement of Accounts and accounting policies for the introduction of new accounting standards on income recognition and financial instruments.

2. Note the estimated impact on the Council's 2020/21 Statement of Accounts for the introduction of a new accounting standard on leases and the progress made on implementation to date.

54. ANNUAL AUDIT COMMITTEE REPORT

The Audit Committee received a report in relation to the annual Audit Committee report for 2018/19.

The purpose of the report was to provide the Committee with the highlights of the work of the Audit Committee over the past 12 months.

The Senior Democratic Officer explained that the report outlined the work of the Committee in 2018-19 and how the Committee was going to look forward in the next municipal year.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Members had to be trained before they sat on the Audit Committee. This then had to be refreshed every three years as stated in the Constitution.
- There was an appetite for further training for members to help them understand some of the trickier reports being presented and how the Committee could ask the most pertinent questions when scrutinising those reports.
- The Audit Committee handbook was reviewed on an annual basis to ensure that it was up to date.

The Audit Committee considered and **RESOLVED** (Unanimously) to approve the Annual Audit Report to Full Council.

ACTIONS:

1. Acting Corporate Director Resources and Democratic Services to look into training options for the forthcoming municipal year.

55. USE OF REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

The Audit Committee received a report in relation to the use of RIPA.

The purpose of the report was to provide the Committee with an update on the RIPA policy.

The Director of Law and Governance introduced the report and commented that the Council had received findings of the inspection report and positive arrangements were in place. The Council had created an updated policy across both Cambridgeshire and Peterborough to which positive feedback had been received.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Although the Council had now joined up on some services with Cambridgeshire the Committee would only hear if Peterborough had used RIPA.
- There were no extra strains on the Council by joining up with a shared policy. There were no differences to what the Council was currently undertaking in terms of using RIPA.
- The Council was open to communicating across borders when the need arose.

The Audit Committee considered and **RESOLVED** (Unanimous) to:

1. Agrees the revised joint Peterborough and Cambridgeshire RIPA policy
2. Receive an update into the usage of RIPA powers by Peterborough City Council approve the 2019/20 Capital Strategy before being approved as part of the MTFs at Full Council in March 2019.

7:00pm – 7.30pm
Chairman