

**Minutes of:           AUDIT COMMITTEE**

**Date of Meeting:** 2 March 2015

**Present:** Councillor E Fitzgerald (in the Chair)  
Councillors P Heneghan, S Nuttall, N Parnell, R Walker and  
Whitby

**Also in  
attendance:** G Burrows – KPMG  
R Fenton – KPMG

**Public Attendance:** No members of the public were present at the meeting.

**Apologies for Absence:**Councillor Mallon and Councillor K Rothwell

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**AU.755       DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting with regard to any item on the agenda.

**AU.756       MINUTES OF THE LAST MEETING**

**It was agreed:**

That the Minutes of the last meeting of the Audit Committee held on 15 December 2014 be approved as a correct record and signed by the Chair.

**AU.757       MATTERS ARISING**

Councillor Heneghan referred to the questions that had been raised with regards to the pie charts relating to sickness levels across the borough and asked whether the actions recorded had been followed up.

It was explained that this had been followed up and all Audit members had been sent an e-mail on 27 January 2015 regarding the issue.

**AU.758       PUBLIC QUESTION TIME**

There were no members of the public present to ask questions under this item.

**AU.759       TRAINING - VALUE FOR MONEY**

Steve Kenyon, Assistant Director, Resources and Regulation (Finance & Efficiency) gave a presentation explaining how the Council ensures Value for Money is achieved across its departments.

Steve explained that value for money could be described as:  
Doing things cheaper, doing things better, doing things quicker.

The Council's definition was:-

“The production of the desired effects or results with the minimum waste of time, money or effort”

The Council needs to ensure Value for Money because:-

- It is responsible for the stewardship of Public Funds
- It is a statutory requirement (s151 officer) / Best Value Act
- Ensuring best use of scarce resources (balanced against increasing pressures)
- Providing better outcomes for residents

The Council achieves Value for Money through:

- Corporate / Service Planning
- Effective procurement
- Medium Term Financial Strategy
- Budgetary Control
- Star Chambers
- ICT Strategy
- Workforce Strategy
- Asset Management Strategy
- Risk Management Strategy
- Performance monitoring

The Council measures Value for Money, externally:

- External Auditor Judgement
- Audit Commission VFM Profiles
- Views of residents / service users

VFM profiles allow us to access a useful online tool covering the following areas;

- General Overview
- Financial Resilience
- Adult Care
- Benefits
- Children & Young People
- Culture / Sport
- Environment
- Housing
- Sustainable Economy
- Public Health

It was also explained that the role of the Audit Committee as being “those charged with governance” in Value for Money is to:-

- Approve Annual Governance Statement
- Receive Quarterly Governance Statement updates
- Receive key budget monitoring information
- Receive specific reports following Audits
- Assist in following up recommendations from audit reports
- Request Directors / Manager to attend
- Generally oversee and challenge the control framework

**It was agreed:**

That the contents of the presentation be noted.

**AU.760 FINANCIAL MONITORING REPORT**

The Assistant Director of Resources and Regulation, presented a report updating Members of the Committee on the Authority's financial position. I

This is in line with the Committee's Statement of Purpose to 'provide independent scrutiny of the authority's exposure to risk and the control environment'.

The report indicated that the Authority was projecting an overspend of £0.902m for the 2014/2015 financial year based on spending and income information as at 31 December 2014.

The report included a snapshot of the balance sheet which provided useful information in which trends could be plotted as the exercise is repeated. This addition to the report had been requested by the Audit Committee at an earlier meeting during 2014/2015 Municipal Year.

A fuller version of the report was considered by Overview & Scrutiny on 11 February 2015.

**Delegated decision:**

That the contents of the report be noted.

**AU.761 QUARTERLY GOVERNANCE STATEMENT - APRIL TO DECEMBER 2014**

The Head of Financial Management, Andrew Baldwin, presented a report providing Members with a quarterly update on the Annual Governance Statement, which had been approved by the Audit Committee at its meeting on 15 July 2014.

The report gave an update on the continuous monitoring that was carried out and highlighted any relevant issues with regards to Risk Management, Business Continuity, Budget Monitoring, the work of Internal Audit, the work of the Governance Panel, Gifts and Hospitality and Sickness levels across the authority's staff.

The up to date Corporate Risk Register was appended to the report and informed Members of the risk event and status. It was explained that the Risk Register had been updated to reflect the most current high level risks facing the organisation.

**Delegated decision:**

That the contents of the report be noted.

**AU.762 GIFTS AND HOSPITALITY**

The Assistant Director of Resources and Regulation presented a report providing Members with an update of the system to declare, monitor and report gifts and hospitality offered to or received by staff and Members.

The report covered the period July 2014 to December 2014.

**Delegated decision:**

That the contents of the report be noted.

**AU.763 KPMG - CERTIFICATION OF GRANTS AND RETURNS - 2013/2014**

Jillian Burrows from KPMG presented the Committee with the Certification of Grants and Returns report for 2013/2014 which summarised the results of the work that had been undertaken by KPMG in this area.

**Delegated decision:**

That the report be approved.

**AU.764 KPMG - AUDIT PLAN 2014/2015**

Jillian Burrows from KPMG presented a report setting out the work that KPMG would be undertaking relating to 2014/2015 financial year as the Council's External Auditors.

The report gave a timetable of work to be completed and included planning, control evaluation, substantive procedures and completion which was due to take place in time for the July 2015 Audit Committee.

It was explained that as part of the audit there would be some work carried out in relation to assets under construction and accounting for local authority maintained schools.

The other areas that the External Auditors will be undertaking work were outlined within the report and included the Council's savings plan and would incorporate reserves and balances, provisions and value for money.

The Value for Money work that would be carried out by KPMG was set out within the report and the approach to this work was explained.

**Delegated decision:**

That the External Audit Plan be accepted

**AU.765 INTERNAL AUDIT REPORT - MEMBERS' FEEDBACK**

The Head of Financial Management submitted a report providing feedback to Committee Members in the form of responses to specific issues raised in relation to Audit Reports and queries.

**Delegated Decision:**

That the contents of the report be noted.

**AU.766 EXCLUSION OF PRESS AND PUBLIC**

**Delegated decision:**

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items of business since they involved the likely disclosure of exempt information, relating to any action taken, or to be taken in connection with the prevention, investigation and prosecution of crime.

**AU.767 INTERNAL AUDIT ANNUAL PLAN**

The Head of Financial Management presented the Committee with the 2015/2016 Annual Plan.

The report set out the proposed Internal Audit Plan for the year 2015/2016.

Appended to the report was the methodology used to prepare the plan and a full breakdown of the plan itself.

**Delegated decision:**

That the 2015/2016 Internal Audit Annual Plan be approved.

**AU.768 INTERNAL AUDIT PROGRESS REPORT - APRIL - DECEMBER 2014**

The Head of Financial Management submitted a report briefing the Committee Members on the work being carried out currently by Internal Audit in line with the Annual Audit Plan 2014/2015.

Details of work undertaken and Audit Reports issued were included in the report with significant issues highlighted.

**Delegated decision:**

That the contents of the report be noted.

**COUNCILLOR E FITZGERALD**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 9.10 pm)**