

**MINUTES OF A MEETING OF THE  
ACCOUNTS AND AUDIT COMMITTEE  
HELD AT NELSON TOWN HALL  
ON TUESDAY 22<sup>ND</sup> MARCH, 2016**

*PRESENT –*

*Councillor R. Allen – (Chairman in the Chair)*

*Cllr P. White*

*Mr D. Whatley*

*Mr. M. Youlton*

**Also in attendance**

*Neil Krajewski*

*Grant Thornton UK LLP*

*V. Green*

*Financial Services Manager (PBC)*

*K. Stansfield*

*Audit and Performance Manager (PBC)*

*S. Waterworth*

*Committee Administrator (PBC)*

*(Apologies were received from Councillor L. Davy)*



**37. DECLARATION OF INTERESTS**

Members were reminded of the legal requirements concerning the declaration of interests.

**38. MINUTES**

The Minutes of the last meeting of the Committee held on 27<sup>th</sup> January, 2016 were submitted for approval.

**RESOLVED**

That the Minutes be agreed as a correct record and signed by the Chairman.

**39. EXTERNAL AUDIT – GENERAL UPDATE**

N. Krajewski gave an update on the work of the Council's External Auditor as at March 2016. The report included summary findings of financial health checks and governance reviews. It was reported that an online financial analysis tool, CFO Insights, had been developed with Grant Thornton and CIPFA that give those aspiring to improve the financial position of their local authority instant access to insight on the financial performance of every council in England, Scotland and Wales.

**RESOLVED**

That the External Auditor's update report be accepted.

**40. EXTERNAL AUDIT – AUDIT PLAN**

N. Krajewski presented a report regarding the Councils Audit Plan for the year ending 31 March 2016. This highlighted Grant Thornton's assessment of significant risks which, in accordance with

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International Auditing Standards, often relate to non-routine transactions and judgmental matters, and other risks of material misstatement that had been identified as a result of audit planning. It was reported that the National Audit Office (NAO) had issued its guidance for auditors on value for money work in November 2015. The Act and NAO guidance state that for local Government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place. The results of the VfM audit work and the key messages arising will be reported in the Audits Findings report and Annual Audit Letter.

### **RESOLVED**

That the External Auditor's Audit plan be accepted.

#### **41. TERMS OF REFERENCE AND CIPFA GUIDANCE**

The Financial Services Manager submitted a report recommending a review of the Committee's Terms of Reference which were set out in the Council's Constitution. It also sought feedback from the Committee on training or any other support Members required to assess and optimise their effectiveness.

### **RESOLVED**

- (1) That the current terms of reference be reviewed and any feedback in advance of the next review of the Councils Constitution in May 2016 be reported.
- (2) That the key messages arising from the Grant Thornton cross-sector review of Audit effectiveness be noted.
- (3) That the self-assessment checklist developed by CIPFA as part of its practical guidance on audit committees in local authorities be circulated to members for completion.
- (4) That any initial areas of member training be indicated.

#### **42. STATEMENT OF ACCOUNTS – GAINING MANAGEMENT ASSURANCE LETTER FROM GRANT THORNTON**

The Financial Services Manager submitted a letter from Grant Thornton to the Chairman of the Committee and the draft response for approval..

### **RESOLVED**

That the letter from Grant Thornton be noted and the response from the Chairman be sent following the end of the financial year.

#### **43. CLOSURE OF ACCOUNTS – ACCOUNTING CODE OF PRACTICE 2015/16**

The Financial Services Managers submitted a report which gave an update on the Accounting Code of Practice for 2015/16, revised arrangements for the public inspection period of the accounts and sought approval of the Accounting Policies as the basis on which the accounts would be prepared for the financial year ending 31<sup>st</sup> March 2016.

**RESOLVED**

- (1) That the main changes arising from the 2015/16 Accounting Code of Practice which impact on the preparation of the Council's financial statements for the year be noted.
- (2) That the changes to the publication of the draft statement of accounts and rights of public inspection resulting from the Accounts and Audit Regulations 2015 be noted.
- (3) That the accounting policies for the 2015/16 accounts as set out at Appendix B of the report be approved.

**44. INTERNAL AUDIT 2015/16 – PROGRESS REPORT**

The Audit and Performance Manager submitted a report with an update on progress against the Internal Audit Plan for 2015/16 as at 29<sup>th</sup> February 2016 and Members asked questions.

**RESOLVED**

- (1) That the progress made against the Audit Plan for 2015/16 as set out at Appendix A of the report be noted.
- (2) That the adjustments to the Audit Plan for 2015/16 as set out in the table attached at Appendix B of the report be agreed.

**45. INTERNAL AUDIT: RECOMMENDATION DATABASE**

The Audit and Performance Manager submitted a report that summarised progress on the implementation of internal audit recommendations as at 14<sup>th</sup> March 2016. It was reported that there were 20 Priority 2 recommendations outstanding as at 14<sup>th</sup> March 2016. As the agreed timescales had passed Internal Audit would work with management to ensure steps are being taken to manage identified risks and implement recommendations.

**RESOLVED**

- (1) That the progress made on the implementation of Internal Audit recommendations up to the 14<sup>th</sup> March 2016 be noted.

**46. INTERNAL AUDIT PLAN**

The Audit and Performance Manager submitted a report regarding the Internal Audit Plan for 2016/17.

**RESOLVED**

That the Internal Audit Plan for 2016/17 as shown at Appendix A of the report be approved.

**47. MANAGING THE RISK OF FRAUD, THEFT AND CORRUPTION**

The Audit and Performance Manager submitted a report with an update on the Council's anti-fraud, theft and corruption arrangements. Since April 2015 when responsibility for investigating

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Housing Benefit fraud was transferred to the Single Fraud Investigation Service operated by the Department for Work and Pensions 151 fraud referrals had been sent to them.

It was reported that there had been no reported incidents of fraud investigated by Internal Audit Unit during the period

**RESOLVED**

That the activity undertaken to manage and mitigate the risk of fraud, theft and corruption within the Council's activities be noted.

**48. CORPORATE GOVERNANCE AND RISK MANAGEMENT  
QUARTLEY REVIEW – March 2016**

The Financial Services Manager submitted a report which provided the committee with the opportunity to review and comment on both the Local Code of Corporate Governance Action Plan and the Strategic Risk Register following a review in March 2016 by the Corporate Governance Group.

**RESOLVED**

That the position as outlined in the report and feedback on matters arising from the last quarterly review be noted.

**49. TREASURY MANAGEMENT 2015/16 – QUARTER 4 MONITORING REPORT**

The Financial Services Manager submitted a report on the treasury management activities of the Council in the fourth quarter of 2015/16 and answered related questions. The report provided a summary of the activity undertaken to date in 2015/16 in relation to the Council's debt and investments. An analysis of the long-term debt and a maturity profile were provided as appendices to the report.

**RESOLVED**

That the work on the Council's treasury management activities in the fourth quarter of 2015/16 be noted.

Chairman \_\_\_\_\_