

Time Commenced: 10.05am
Adjourned: 12.00pm
Reconvened: 12.14pm
Time Finished: 13.48pm

AUDIT AND ACCOUNTS COMMITTEE

10 August 2017

Present: Councillor Hezelgrave (Chair)
Councillors Ashburner, Care, Grimadell, Jackson, Roulstone,
Turner, Willoughby, Winter

In attendance: Janie Berry – Director of Governance and Monitoring Officer
Helen Henshaw and Steve Clark – Ernst Young
Steven Mason – Democratic Services Officer
Mark Taylor – Interim Director of Finance

11/17 Apologies for Absence

Apologies for absence were received from Councillor Eldret.

12/17 Late Items

There were no late items received.

13/17 Declarations of Interest

There were no declarations of interest.

14/17 Recommendations Made Under S24 Local Audit and Accountability Act 2014 by Ernst and Young

The Committee received a report of the Director of Governance and Monitoring Officer on Recommendations Made Under S24 Local Audit & Accountability Act 2014 by Ernst & Young.

It was reported that on 27 June 2017, Ernst & Young, the Council's External Auditor, issued the Council with recommendations pursuant to S24 Local Audit & Accountability Act 2014 (hereafter referred to as a Statutory Recommendation).

It was also reported that in accordance with the Local Audit & Accountability Act 2014, the Statutory Recommendation was presented to a meeting of Council on 19 July 2017.

Members noted that an Action Plan had been drawn up in response to the Statutory Recommendation and that the purpose of this report was for the Audit and Accounts Committee to monitor progress and delivery against that plan.

Members considered each of the issues and actions in turn, contained within the Action Plan attached at Appendix 3 of the report.

Members noted that the production of the statement of accounts was the responsibility of the Section 151 Officer and that it was the responsibility of the Audit and Accounts Committee to approve the accounts.

The Committee discussed the use of quarterly reconciliations for property, plant and equipment going forward and the use of Excel valuation models and the transfer of data to SAM/RAM systems. The future use of an independent expert to prepare formal valuations was also discussed

Members considered the proposed quality assurance function in relation to data submitted by the Estates team. It was agreed that an Estates team representative should attend a future meeting to provide an update on valuation of the estates portfolio.

Members agreed that the work programme for the 2017/18 municipal year should be considered at the next meeting.

Following discussion of the target action dates contained within Appendix 3, it was noted that regular updates would be brought to the Committee to demonstrate how the Action Plan was progressing.

Members discussed the development of clear working paper standards. It was reported that working papers were briefing notes that would help to produce an audit trail and that some had been compiled already.

It was reported that the draft statement of accounts for 2015/16 was currently with the external auditors and would then be brought to the Audit and Accounts Committee. It was agreed that in relation to the Committee receiving any documents for scrutiny, they should be received in a timely manner.

Members discussed the role of internal audit and agreed that it should be empowered to test that measures were in place.

The Committee agreed that the terms of reference for the Audit and Accounts Committee should be considered at a future meeting as part of the programme of work for the 2017/18 municipal year.

The Committee considered the capitalisation of management time to projects and noted that a review of the process, scope and control of the capitalisation of internal costs would be undertaken to develop a more structured and transparent policy.

Members discussed the proposal to produce a clear timetable for the production of the statutory financial statements. It was reported that the July 2017 target related to the 2015/16 accounts. It was further reported that an outline timetable had been produced

for the 2016/17 accounts which would be completed within the next few weeks and that the 2017/18 accounts timetable was a work in progress.

In relation to the cash management function, the Committee noted the fundamental importance of regular reconciliations. It was reported that there was now a monthly reconciliation procedure in place, that May and June 2017 had been completed and work was now being carried out retrospectively from March.

Members considered the importance of the management, reporting and authorisation of debt write-offs and requested sight of the monthly monitoring report relating to this.

The Committee noted that there was no target date stated for the establishment of a process for role transition, cross-working arrangements to enable appropriate levels of support and the coaching of individuals new to roles and, therefore, requested regular updates on this to monitor progress.

Members discussed historic performance issues and asked how this would be monitored going forward. It was reported that this was the remit of Personnel Committee and would also be considered by the relevant Scrutiny Board.

It was noted that the draft statement of accounts for 2015/16 would be presented to the Audit and Accounts Committee for approval at its meeting on 19 September 2017. It was also noted that a summary timetable/allocation for the 2016/17 statement of accounts would be brought to the September meeting. It was agreed that this plan for each statement of accounts should be brought before Committee, going forward.

Resolved:

- 1. to note the steps necessary to ensure progress and delivery against the Action Plan following the Recommendations made under S24 Local Audit & Accountability Act 2014;**
- 2. to agree that a representative from the Estates team should attend a future meeting of the Audit and Accounts Committee to provide an update on valuation of the property, plant and equipment portfolio;**
- 3. to agree that the work programme for the 2017/18 municipal year be considered at the next meeting of the Audit and Accounts Committee;**
- 4. to agree that any documents to be scrutinised by the Audit and Accounts Committee be received in a timely manner;**
- 5. to agree that the terms of reference be considered at a future meeting of the Audit and Accounts Committee;**
- 6. to request sight of the monthly update report relating to the management of debt write-offs;**
- 7. to request regular updates on the process for role transition, accountability and review/support for individuals new to roles; and**
- 8. to agree that the summary timetable/allocation plan for each statement of accounts should be brought before the Audit and Accounts Committee, going forward.**

MINUTES END