

AUDIT COMMITTEE

Meeting - 21 January 2016

Present: Mr Bradford (Chairman)
Mr D Smith, Mrs Gibbs, Mr Hogan, Mr Hollis and Mr Sangster

40. MINUTES

The minutes of the meeting of the Committee held on 24 September 2015 were confirmed and signed by the Chairman.

41. ERNST & YOUNG VALUE FOR MONEY - CODE OF AUDIT PRACTICE 2015 PRESENTATION

The Committee received a PowerPoint presentation from Ernst and Young on the Value for Money Code of Audit Practice 2015, the overall criterion of which was to show that.

“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”

The presentation went on to set out the following:

- Sub criteria and Proper Arrangement
- Auditor's Risk Assessment;
- Work Undertaken
- Qualified Conclusions

In response to a question the process for identifying risks and their impact, together with the way the Council was involved in this process through the Officer Risk Group, was highlighted.

42. ERNST & YOUNG CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2014/15

The Committee received from Ernst and Young the Certification of Claims and Returns Annual Report 2014-15.

Section 1 of the report outlined the results of the 2014-15 certification work and highlighted the significant issues. The Committee noted that, whilst errors had been found, they were minor and had been corrected resulting in the subsidy claim being increased by £179.

Section 2 of the report summarised the fees for the certification work and the Committee also noted that the fee for 2014/15 of £27860 would, in accordance with the Council's Revenue and Benefits contract, be met by Northgate whose help and professionalism in carrying out the work had been much appreciated by Ernst and Young.

43. INTERNAL AUDIT PROGRESS REPORT

The Committee considered an Internal Audit Progress Report from TIAA setting out amongst other things audits completed since the last meeting, progress against the Annual Plan for 2015/16 and changes to the Annual Plan 2015/16.

RESOLVED that the progress report be noted.

44. **AUDIT COMMITTEE WORK PROGRAMME**

The Committee received the Audit Committee Work Programme.

RESOLVED – that the Work Programme be noted.

45. **EXCLUSION OF PUBLIC**

That under Section 100A(4) of the Local Government Act 1974 the public be excluded from the meeting for the following item of business on the grounds it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act

46. **INTERNAL AUDIT ARRANGEMENTS**

Paragraph 3 – Information relating to the financial or business affairs of any particular person.

The Committee considered a report setting out:

- The new proposed Audit Management Arrangements
- A proposal to extend the Internal Audit Contract which expires on 31 March 2017
- A proposal to establish Joint Internal Plans and Joint Internal Audit Progress Reports

During the discussion number of issues were clarified as follows;

- The rationale and benefits of increasing the management time within the Internal Audit Contract
- No additional costs would be incurred;
- The process for reviewing the Job Description
- The arrangements would be reviewed with a report back to the Committee after one year of operation

In agreeing the proposal to establish Joint Internal Audit Progress Reports the Committee supported the suggestion that the Reports submitted to the Audit Committees at both Council should contain a supplement to cover issues pertinent and of relevance to that Council.

RESOLVED that

1. the proposed Audit Management arrangements be noted.
2. the proposal to extend the Internal Audit Contract with TIAA for a two year period from 1st April 2017 to 31st March 2019 (as allowed under the existing Internal Audit contract with TIAA) be agreed.
3. a Joint Internal Audit Plan covering both CDC and SBDC be produced with effect from 1st April 2016.
4. that Joint Internal Audit Progress Reports be produced with effect from 1st April 2016 such reports to include a supplement as indicated above.

The meeting terminated at 7.10 pm