

**AUDIT COMMITTEE  
26TH FEBRUARY 2019**

PRESENT: The Chair (B. Angell)  
The Vice Chair (Councillor Grimley)  
Councillors Huddleston, Parsons, Parton, Smith  
and Bebbington

J. Machej – External Auditor

Strategic Director of Corporate Services  
Head of Strategic Support  
Head of Finance and Property Services  
Interim Audit and Risk Manager  
Democratic Services Officer (NA)

APOLOGIES: Councillor Hadji-Nikolaou

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

40. MINUTES FROM THE PREVIOUS MEETING

The minutes of the meeting of the Committee held on 27th November 2018 were confirmed as a correct record and signed.

41. DISCLOSURES OF PECUNIARY AND PERSONAL INTEREST

No disclosures were made.

42. QUESTIONS UNDER OTHER COMMITTEE PROCEDURES 12.8

No questions had been submitted.

43. AUDIT STRATEGY MEMORANDUM 2018/19

A report of the External Auditors expressing the Audit Strategy Memorandum for 2018/19.

Jon Machej from Mazars attended the meeting and assisted with the item.

**RESOLVED**

That the Committee notes the report.

### Reason

To acknowledge the Committee's consideration of the item.

44. CAPITAL STRATEGY 2019/20, TREASURY MANAGEMENT STATEMENT, ANNUAL INVESTMENT STRATEGY AND MRP STRATEGY

A report of the Head of Finance and Property Services was submitted detailing the Council's Capital Strategy for 2019/20 along with the Treasury Management Statement, Annual Investment Strategy and MRP Strategy (item 6 in the agenda filed with these minutes).

The Head of Finance and Property Services and the Strategic Director for Corporate Services attended the meeting and assisted with consideration of the report.

The Committee was advised that the report was in fact for noting as it had already been approved by Cabinet and full Council.

The Committee had raised their concerns regarding potential "double borrowing" when the report was considered at Overview Scrutiny Group and also at Council and were satisfied with the responses given.

The Committee was also advised that although the Council was operating some level of risk regarding investments it was relatively low and investments were made against a stable income stream.

*Councillor Huddleston arrived part way through the item.*

**RESOLVED** that the report be noted.

### Reason

To acknowledge the Committee's consideration of this matter.

45. UPDATE ON THE COMMITTEE'S CONCERNS REGARDING UNDERSPENDING ON THE CAPITAL PROGRAMME

A report of the Strategic Director for Corporate Services was submitted providing the Committee with an update on their concerns raised at their last meeting regarding underspending on the Capital Programme (item 7 in the agenda filed with these minutes).

The Head of Finance and Property Services attended the meeting and assisted with the consideration of the report.

The Committee felt they had received assurances from Cabinet that they would monitor the underspending and review the situation and was happy with the report.

**RESOLVED** that the report be noted.

### Reason

To acknowledge the Committee's consideration of this matter.

#### 46. DRAFT AUDIT PLAN 2019/20

A report of the Head of Strategic Support was considered which detailed the draft audit plan for 2019/20 (item 8 in the agenda filed with these minutes).

The Interim Audit and Risk Manager and the Head of Strategic Support attended the meeting and assisted with the consideration of the report.

**RESOLVED** that the draft Internal Audit Plan for 2019/20 and the draft Internal IT Audit Plan for 2019 – 2022 be approved.

### Reason

The Committee was satisfied with the draft plans presented and agreed that the internal audit resources would be effectively utilised.

#### 47. INTERNAL AUDIT PLAN - PROGRESS REPORT

A report of the Head of Strategic Support was submitted outlining the progress of the 2018/19 Internal Audit Plan (item 9 in the agenda filed with these minutes).

The Audit and Risk Manager and the Head of Strategic Support attended the meeting and assisted with consideration of the report.

**RESOLVED** that the report be noted although the Committee wished to make it clear to the Cabinet that extra resources may be needed to ensure the Internal Audit Plan remains on schedule.

### Reason

To ensure the Committee is kept informed of progress against the approved Internal Audit Plan.

#### 48. RISK MANAGEMENT (RISK REGISTER) UPDATE

A report of the Head of Strategic Support was submitted providing details of the updated Risk Management Strategy (item 10 in the agenda filed with these minutes).

The Audit and Risk Manager and the Head of Strategic Support attended the meeting and assisted with consideration of the report.

**RESOLVED** that the report be noted.

### Reason

To ensure the Committee is kept informed of progress against the strategic risks that, should they crystallise, would cause the Council to be unable to operate and/or provide key services leading to a significant adverse effect on public wellbeing.

#### 49. COUNCIL'S USE OF REGULATORY INVESTIGATORY POWERS ACT (RIPA)

A report of the Head of Strategic Support was submitted providing a summary of the Council's use of RIPA powers (item 11 on the agenda filed with these minutes).

The Interim Audit and Risk Manager and the Head of Strategic Support attended the meeting and assisted with the consideration of the report.

**RESOLVED** that it be noted that there had been no use of RIPA powers by the Council for the period from 1st November 2018 to 31st January 2019.

### Reason

To enable the Committee to comply with the request from Cabinet that the Audit Committee assumes responsibility for receiving a quarterly report on the use of RIPA, and to report to Cabinet any concerns arising from those reports that may indicate that the use of RIPA is not consistent with the Policy or that the Policy may not be fit for purpose.

#### 50. WORK PROGRAMME

A report of the Head of Strategic Support was submitted to enable the Committee to consider its work programme (item 12 on the agenda filed with these minutes).

**RESOLVED** that the Committee proceeds on the basis of the following work programme, which incorporates all decisions made at this meeting:

ISSUE	MEETING
<b>Internal Audit Business</b>	Ongoing
Internal Audit Plan – Progress	11th June 2019  Quarterly
Risk Management (Risk Register)	11th June 2019  Quarterly - detailed report every six months, exception report quarters in-between.
Council's Use of Regulation of Investigatory Powers Act (RIPA)	11th June 2019  Quarterly
Annual IT Health Check (Code of Connection) <b>Confidential Report</b>	11 <sup>th</sup> June 2019  Annually
2018/19 Annual Internal Audit Report	11 <sup>th</sup> June 2019  Annually
2018/19 Review of the effectiveness of Internal Audit (Feedback from Panel)	11 <sup>th</sup> June 2019  Annually
Internal Audit Charter	11 <sup>th</sup> June 2019  Annually (for approval)
2018/19 Members' Allowances Claimed	11 <sup>th</sup> June 2019  Annually
Whistle Blowing and Anti-fraud, Corruption and Bribery	11 <sup>th</sup> June 2019  Annually
Environmental Audits – Report on Outcomes	11 <sup>th</sup> June 2019  Annually  <i>Note: Six month exception report where identified actions are not implemented by the target date.</i>

2018/19 Treasury Management Outturn	11 <sup>th</sup> June 2019 Annually
2018/19 Statement of Accounts	July 2019 (Accounts Meeting) Annually
2018/19 Annual Governance Statement and Review of the Code of Corporate Governance	July 2019 (Accounts Meeting) Annually
Treasury Management Mid-Year Review	November 2019 Annually
2019/20 Treasury Management Statement, Annual Investment Strategy and MRP Strategy	February 2020 Annually
2020/21 Internal Audit Plan	February 2020 Annually
Future of Local Public Audit	Report on Government proposals considered 5th July 2011. Further report once final regulations/guidelines are known. <u>Note:</u> Appointing Your External Auditor briefing note considered June 2016.
Policy for Engagement of External Auditors for non-audit work	Considered March 2013. Review policy - date to be agreed
<b>External Audit Business</b>	Ongoing
External Audit Progress Report and Technical Update	11 <sup>th</sup> June 2019 Quarterly
2019/20 Annual Governance Report	July 2019 (Accounts Meeting) Annually
2018/19 Annual Audit Letter	February 2020 Annually
Certification of Claims and Returns (2019/20 Audit)	February 2020 Annually
2020/21 External Audit Plan	February 2020 Annually

## NOTES:

1. No reference may be made to these minutes at the Council meeting on 25th March 2019 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Audit Committee.