

Public Document Pack

AUDIT COMMITTEE

17 MARCH 2016

Present: Councillors Beaver (Chair), Clark (Vice-Chair), Chowney and Charman

Apologies for absence were notes for Councillor Westley

27. **DECLARATIONS OF INTEREST**

There were no declarations of interest made at this meeting.

28. **APOLOGIES FOR ABSENCE**

Apologies for lateness were noted for Councillor Clark and apologies for absence were noted for Councillor Westley.

29. **MINUTES OF THE MEETING HELD ON 25 JANUARY 2016**

RESOLVED – (unanimously) that the minutes of the meeting held on 25 January 2016 be approved and signed by the Chair as a true record.

30. **BDO PLANNING REPORT TO THE AUDIT COMMITTEE (AUDIT FOR THE YEAR ENDED 31 MARCH 2016)**

The Chief Auditor introduced his report to the Committee and informed members of BDO's audit plan for the audit of the Council's accounts and Value for Money arrangements. The BDO report highlights the risk-based approach to the audit and the main risks they have identified. The BDO Audit Plan to the Audit Committee (Audit for the year ending 31 March 2016) was appended to the report.

Zoe Thompson, BDO Director, presented the plan. She informed the committee that there was a slight change to the scope of the work; the explanatory forward had replaced the narrative report and there had also been a slight change to the VFM below a £57,000 threshold.

The same risks were reported as per the previous year in the audit plan.

Councillor Beaver asked if there was a risk to revenue recognition. The Assistant Director – Financial Services & Revenues advised that a set amount is received in the year, so it can be rebutted. There is a risk of payments to fictitious people, over-stated income and high value transactions.

The Assistant Director – Financial Services & Revenues added that the value for money assessment was different this year and there had been more interaction across the council.

Councillor Beaver queried the Pension Liability Assumption. He said the amount that needs to be put in is not a risk over other people's assurances, if it goes away it can't

AUDIT COMMITTEE

17 MARCH 2016

be altered. The BDO Director confirmed there are explicit actions that are undertaken in the course of their work to ensure information is accurate.

RESOLVED – (unanimously) that the Audit Committee accepts the External Auditor’s Audit Plan.

31. **PROPOSED INTERNAL AUDIT PLAN 2016/17**

The Chief Auditor introduced his report to formally confirm that the internal audit plan for 2016/17 had been noted by the Audit Committee.

Councillor Clark arrived at this juncture and asked if the ethical report will come to the committee. The Assistant Director – Financial Services & Revenues said he will liaise with colleagues in Sussex.

RESOLVED – (unanimously) that the Audit Committee approves the internal Audit Plan 2016/17.

32. **FEASIBILITY OF PRODUCING REWARD STATEMENTS FOR EMPLOYEES**

The Chief Auditor presented his report to examine the feasibility of producing Reward Statements for employees.

The report was requested by the committee at its last meeting on 25th January 2016. Officers investigated the feasibility of producing reward statements electronically but concluded it was not possible without a significant amount of additional manual resources and it was also highlighted that staff in People, Customer and Business Support would not be able to advise on pensions queries.

People, Customer and Business Support are, however, producing a ‘Employee Benefits Flyer’ which will come to Members for comment soon.

The Assistant Director – Financial Services & Revenues said they were looking at the possibility of upgrading Agresso and visiting other authorities to view their Agresso/HR packages.

RESOLVED – (unanimously) that the Audit Committee note that an Employee Benefits Flyer is a work in progress.

33. **CHIEF AUDITOR'S SUMMARY AUDIT AND RISK REPORT**

The Chief Auditor presented his report on the key findings from the Council Tax, Treasury Management, Software Licence Controls and Creditors audits. He advised the committee that the Council Tax and Treasury Management audits had been outsourced to external auditors, Mazars LLP.

The report opinions were all either satisfactory or good and so there were no significant control issues that needed to be brought to the attention of the committee.

AUDIT COMMITTEE

17 MARCH 2016

Councillor Clark asked officers if they anticipated high arrears with the increase in council tax. The Assistant Director – Financial Services & Revenues said he did not anticipate a lower collection rate and that the council tax was affordable. We may see a difference when the benefit cap comes in.

Councillor Clark asked if officers were expecting to see a spike in collection rates. The Assistant Director – Financial Services & Revenues said it would be interesting to see what happens in other districts and whether this has an impact on the collection rate.

RESOLVED – (unanimously) that the Audit Committee accepts the report.

34. NOTIFICATION OF ANY ADDITIONAL URGENT ITEMS (IF ANY)

The Chief Auditor said the Risk Champion was looking to align the Operational Risk Registers more closely to Work Plans for Performance reporting. It would be extremely difficult to do this change and present the Operational Risk Registers to the Audit Committee in June and so he asked if the committee would agree to defer the Risk Registers to September.

The Chair said he was happy for both Risk Registers to be deferred.

RESOLVED – (unanimously) that the Audit Committee defer the Risk Management Policy and the Operation Risk Register.

(The Chair declared the meeting closed at. 7.04 pm)

This page is intentionally left blank