

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

DATE OF MEETING: 3rd December 2019

**PRESENT: Councillor Marriott (Chair)
Councillors Aldred, Haslam-Jones, Haworth (sub for Cllr Essex), Morris (sub for Cllr Steen) and Procter
Co-opted Member, Mr Simon McManus**

**IN ATTENDANCE: Mr P Seddon, Head of Finance
Mrs Janice Crawford, Finance Manager
Mr Ken Masser, RBC/RLT
Mr M Baskerville, Audit Manager, LCC
Mr R Baker, Grant Thornton Auditors
Mrs C Sharples, Committee & Member Services Manager**

**ALSO PRESENT: Councillors Cheetham, Lythgoe and Walmsley
2 members of the public**

1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Essex, Kenyon and Steen.

2. MINUTES OF THE MEETING HELD ON 30TH JULY 2019

RESOLVED:

The minutes of the meeting held on 30th July 2019 were agreed as a correct record.

3. URGENT ITEMS OF BUSINESS

3.1 The Chair confirmed that there were no urgent items of business.

4. DECLARATIONS OF INTEREST

4.1 There were no declarations of interest.

5. PUBLIC QUESTION TIME

5.1 The Chair agreed to deviate from the procedure for public speaking and allow members of public present to ask questions as items on the agenda were presented.

5.2 There were no public questions at this point.

6. CHAIR'S UPDATE

The following updates were given in relation to actions from the previous

meeting:

- 6.1 Mr Ali had been formally written to and thanked on behalf of members for his contributions to the committee as a co-opted member. Mr Simon McManus who had been appointed to the committee following interview and ratification at the September Council meeting was welcomed to the meeting.
- 6.2 A copy of the LCC internal audit charter had been circulated to members on 1st August. Going forward this would be an annual agenda item at the first meeting following the elections.
- 6.3 In relation to Risk 7 – Local Plan Action Plan referred to at the last meeting, the Planning Manager had confirmed that the action plan was a schedule of work with timescales for Officers to work to.
- 6.4 On 31st July, members had been sent a link to the Customer Service Standards on the RBC website.
- 6.5 The Fraud & Compliance Officer had been thanked for her work in producing the annual Fraud Report.

7. CORPORATE RISK REPORT

- 7.1 The Head of Finance informed that the Corporate Risk Register was a standard report to members each meeting and that there had been no changes to the risk register since the last report.
- 7.2 In response to comments made it was noted that:
 - Clarification would be sought on the risk register in relation to the matrix as well as C1 and C2.
 - The risk in relation to the Local Plan had been assessed as moderate as the longer it took to adopt meant that government criteria could change over time.
 - HR had recognised and accounted for the risk of senior finance staff leaving the organisation.
 - Reasonable steps had been taken to procure replacement staff and put in place interim and back office support arrangements.
 - The Finance Manager would continue to assist with the Council with accounts closures and the Head of Finance would also be contactable if assistance was required.

RESOLVED:

- That members noted the Corporate Risk Register as detailed in the report.
- That members noted the risk consequences, mitigation action and level of risk as detailed in Appendix A.

8. INTERNAL AUDIT PROGRESS REPORT 2019/20

- 8.1 The Audit Manager, LCC, informed that the delivery of the 2019/20 plan was

progressing well. Three of the audits had been deferred to next year relating to contribution to LGA peer review, Homes England accelerated construction fund - grant conditions, and industrial rent and arrears. He updated the committee on the progressing, planned and completed audits as well as the assurance opinions as detailed in the report.

8.2 In response to comments made it was noted that:

- Non collection of the £31k of benefits due to the DWP was owing to health related issues.
- Audit plans and their recommendations/assurances were reported at different stages throughout the year.
- Assurance opinions were agreed by managers and there was confidence that the audit plan was deliverable.

RESOLVED:

- That members considered the internal audit progress report for 2019/20 Quarter 2, July to September.

9. EXTERNAL AUDIT PROGRESS REPORT

9.1 The Director, Grant Thornton, provided an update on the progress report. It was expected the audit report on 2015/16 would be issued early December and this year or January for 2016/17 and 2017/18. A formal handover would take place with Mazars in January. He also informed of the government's independent probe into local government audit as well as the expected review of the National Audit Office's Code of Audit Practice.

9.2 In response to comments made it was noted that:

- There had been government changes to the way land/property was valued. It had traditionally been done over 5 years, but this was being moved to a 2/3 year cycle.
- The value of land/property sits on the balance sheet. Value for money would only be relevant as part of the disposal process as the Council does not borrow against the balance sheet.
- The Council would be guided by the code but it seemed unreasonable to do a valuation on a yearly basis as it was a paper exercise.
- The Value for Money conclusions for various years had been given in the report on page 4 and this had been discussed fully at previous meetings.
- The Financial Reporting Council were the body that audited the auditors.
- There was good news on the pension deficit which was previously £14million but now £2.7million.

RESOLVED:

- That members noted the content of the report.

A vote of thanks was given to the Head of Finance and the Finance Manager for their combined service over the years, and they were wished all the best for the future.

10. STANDARDS COMPLAINTS & WHISTLEBLOWING UPDATES

10.1 As there were no items to report under Section E of the agenda, the Chair did not propose that the meeting move into private session and closed the meeting.

The meeting commenced at 6.30pm and finished at 7.25pm

Signed (Chair)

Date