



AUDIT & REGULATORY COMMITTEE

Meeting: Wednesday, 24 July 2019 at 6.30 pm in Meeting Room A - Buxton Town Hall

Present: Councillor E Thrane (Chair)

Councillors T Ashton (substitute for J Douglas), O Cross, D Kerr, E Longden, R Quinn and K Savage

Councillor A Barrow, Mr P Grant and Mr M Thomas were also in attendance.

An apology for absence was received from Councillor J Douglas

20/8 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING
(Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 6 June 2019 be approved as a correct record.

20/9 EXTERNAL AUDIT FINDINGS
(Agenda Item 4)

The External Auditor advised of the substantial completion of the audit of the financial statements and anticipated unqualified audit opinion. Based on work to address the significant risks, the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Outstanding items, the McCloud judgement and adjustments were considered. An update would be available at the next meeting.

RESOLVED:

That the update be received with thanks.

20/10 ANNUAL GOVERNANCE STATEMENT 2018/19
(Agenda Item 6)

Regulation 6 (1) (a) of the Accounts and Audit Regulations 2015 requires the Council to conduct a review each financial year of the effectiveness of its system of internal control and approve an Annual Governance Statement (AGS). The statement needs to be prepared in accordance with proper practices in relation to accounts and must be approved in advance of the Council approving the statement of accounts. 'Proper practices in relation to accounts' relates to those accounting practices which are contained in a code of practice or other document which is identified for the purposes of this provision by regulations made by the Secretary of State. Such guidance is contained in the Chartered Institute of Public Finance & Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) framework and guidance on 'Delivering Good Governance in Local Government'.

Discussion took place on governance issues, opinion and the future management of Building Control, The expected date for transferral of street cleansing would be updated.

RESOLVED:

That the Annual Governance Statement 2018/19 be approved.

20/11 DRAFT STATEMENT OF ACCOUNTS 2018/19
(Agenda Item 7)

The Committee considered the audited Statement of Accounts 2018/19, in compliance with the legislative provisions in relation to financial reporting and the Council's commitment to transparency and accountability in the stewardship of public funds.

Discussion took place on the audit in progress and External Audit not expecting adjustments. Useable reserves, revenue funded from capital under statute, variance against other operating expenditure were also discussed.

RESOLVED:

That approval be given to the audited Statement of Accounts 2018/19, subject to the Chairman considering any additional adjustments and Committee members being kept informed.

20/12 ANNUAL TREASURY MANAGEMENT REPORT 2018/19
(Agenda Item 8)

Consideration was given to the Council's treasury management performance in 2018/19 in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

Discussion took place on the rise in the Bank of England base rate later than expected, outturns, rescheduling of loans and investments.

RESOLVED:

That Council be recommended to approve the Annual Treasury Management Report 2018/19.

20/13 TREASURY MANAGEMENT UPDATE
(Agenda Item 9)

The Council's treasury management performance in 2019/20 was scrutinised in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

Discussion took place on quarter 1 outturn and updates to interest rate forecasts.

RESOLVED: That Council be recommended to note the current treasury management position (as at 30th June 2019).

20/14 2018/19 INTERNAL AUDIT PERIODIC REPORT
(Agenda Item 10)

The Accounts and Audit Regulations 2015 required the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In accordance with the Public Sector Internal Audit Standards, the Audit Manager must report periodically to the Audit Committee on the internal audit activity’s performance relative to its plan. The substantial assurance of the General Ledger audit was well received.

RESOLVED:

That the progress information contained within the report be noted.

20/15 INTERNAL AUDIT - ANNUAL REPORT 2018/19
(Agenda Item 11)

It was reported that the Accounts and Audit Regulations 2015 requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. In accordance with the Public Sector Internal Audit Standards, the Audit Manager must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

Discussion took place on the planned Committee knowledge and skills assessment.

RESOLVED:

1. That the Audit Service’s 2018/19 year end performance information contained within the report be noted and staff thanked for their work.
2. That the opinion on the overall adequacy and effectiveness of the Council’s internal control environment be noted.

20/16 2018/19 ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT
(Agenda Item 12)

The Accounts & Audit Regulations 2015 require the Council in each financial year to conduct a review of the effectiveness of the system of internal control, and that the findings of this review must be considered by a committee or by members of the authority meeting as a whole. An annual review of the effectiveness of Internal Audit to demonstrate conformance with the Public Sector Internal Audit Standards and Local Government Application Note forms part of this review.

The external quality assessment of internal audit was discussed.

RESOLVED:

That the annual review of the effectiveness of Internal Audit for 2018/19 including the Quality Assurance and Improvement Programme be noted and that Internal Audit is operating effectively and can be relied upon when considering the Annual Governance Statement for 2018/19.

20/17 2018/19 ANNUAL REVIEW OF EFFECTIVENESS OF THE AUDIT AND REGULATORY COMMITTEE
(Agenda Item 13)

Having considered the report on the Annual Review of the Effectiveness of Internal Audit, the Committee were aware of the requirement to comply with the Accounts and Audit Regulations 2015. As part of the process of assurance, best practice suggests that an annual review of the effectiveness of the Audit & Regulatory Committee be undertaken.

Discussion took place on the vacancy for an independent member, amendments to the Terms of Reference and including an Auditor Panel explanatory note.

RESOLVED:

1. That the annual review of the effectiveness of the Audit and Regulatory Committee be approved.
2. That, when the Committee places have been filled and after the knowledge and skills assessment, consideration be given to whether additional amendments to the Audit and Regulatory Committee's Terms of Reference are required.

20/18 MEMBERSHIP OF CONSTITUTION SUB-COMMITTEE
(Agenda Item 14)

Consideration was given to membership of the Constitution Sub-Committee, cross party working, conducting an on-going review of the Council's Constitution and making recommendations to the Audit and Regulatory Committee.

RESOLVED: That rather than in accordance with political balance requirements the Constitution Sub-Committee membership be determined on availability, as and when meetings are required.

20/19 WORK PROGRAMME
(Agenda Item 15)

Consideration was given to the Committee work programme for 2019/20.

RESOLVED:

That the Committee Work Programme be noted.

The meeting concluded at 7.48 pm

CHAIRMAN