

## AUDIT & REGULATORY COMMITTEE

**Meeting: Wednesday, 25 July 2018 at 6.30 pm in The Cafe - Pavilion Gardens, Buxton**

Present: Councillor F Sloman (Vice-chair, in the chair)

Councillors A Barrow, S Helliwell, J Perkins (substitute for J Walton), J Pritchard, K Sizeland (substitute for J Douglas), F Sloman and J Todd

Councillors J McCabe and E Thrane and J McCabe, Mr P Grant, Mrs C Morgan and E Thrane were also in attendance

Apologies for absence were received from Councillors J Douglas, C Boynton, D Kerr and J Walton

**19/1 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING**  
(Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 2 May 2018 be approved as a correct record

**19/2 REVIEW OF POLLING STATION**  
(Agenda Item 13)

There was a report on changing the location of a polling place in the Fernilee Ward of the Borough, as the current polling station was due to close to enable renovation works to take place. The landlord of the Shady Oak Public House had been consulted and it would be checked that the brewery had also been consulted. Discussion also took place on a possible review of polling stations, particularly those with a small number of electorate, with the potential to reduce resources required.

RESOLVED: That approval be given to the change of the polling place to enable the polling station location in the Fernilee Ward to change from Methodist Church at Elnor Lane, Fernilee to the Shady Oak Public House, Long Hill, Fernilee.

**19/3 EXTERNAL AUDIT FINDINGS**  
(Agenda Item 4)

The External Auditor advised of the unqualified value for money conclusion and that an opinion would be shortly be issued. The timescale had been brought forward and members requested that staff be thanked for all their hard work.

RESOLVED:

That the update be received with thanks.

**19/4 ANNUAL GOVERNANCE STATEMENT 2017/18**  
(Agenda Item 5)



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 the Housing Revenue Account, investment required in non-housing assets, the change in waste operating arrangements and the efficiency programme.

RESOLVED:

That the Annual Governance Statement 2017/18 be approved.

**19/5 DRAFT STATEMENT OF ACCOUNTS 2017/18**  
(Agenda Item 6)

The Committee received the Statement of Accounts 2017/18, 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.

Investment of Right to Buy receipts from Council house sales and the income generated by the Derbyshire Business Rate Payers pool were discussed.

RESOLVED:

That approval be given to the audited Statement of Accounts 2017/18.

**19/6 ANNUAL TREASURY MANAGEMENT REPORT 2017/18**  
(Agenda Item 7)

Consideration was given to the Council's Treasury Management performance in 2017/18 in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

Borrowing, Capital Financing Requirement, income and investment were discussed.

RESOLVED:

That Council be recommended to approve the Annual Treasury Management Report 2017/18.



**19/7 TREASURY MANAGEMENT UPDATE: MID-YEAR REPORT 2018/19**  
(Agenda Item 8)

The Council's treasury management performance in 2018/19 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 Link's creditworthiness guidance, changes in colour banding and investments.

RESOLVED: That Council be recommended to note the current treasury management position (as at 30th June 2018).

**19/8 2017/18 INTERNAL AUDIT PERIODIC REPORT MAY TO JUNE 2018**  
(Agenda Item 9)

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.

Discussion took place on working with vulnerable adults and the need for Disclosure and Barring Service checks to be up to date.

RESOLVED:

That the progress information contained within the report be noted.

**19/9 INTERNAL AUDIT - ANNUAL REPORT 2017/18**  
(Agenda Item 10)

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.

RESOLVED:

1. That the Audit Service's 2017/18 year end performance information contained within the report be noted and staff thanked for their diligent work.
2. That the opinion on the overall adequacy and effectiveness of the Council's internal control environment be noted.

**19/10 2017/18 ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**



(Agenda Item 11)

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.

RESOLVED:

That the annual review of the effectiveness of Internal Audit for 2017/18 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 2017/18.

**19/11      2017/18 ANNUAL REVIEW OF THE EFFECTIVENESS OF THE AUDIT & REGULATORY COMMITTEE**  
(Agenda Item 12)

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.

It was reported that a meeting was planned with the applicant for the independent member vacancy. Discussion took place on training on accounts and ascertaining what new members from 2015 had found useful.

RESOLVED:

1. That the annual review of the effectiveness of the Audit and Regulatory Committee be approved.
2. That officers and the Chair and Vice-Chair consider training content and timing.

**19/12      WORK PROGRAMME**  
(Agenda Item 14)

Consideration was given to the Committee work programme for 2018/19. The External Audit annual letter would be moved from the February 2019 meeting to October 2018.

RESOLVED:

That the Committee Work Programme as amended be noted.

The meeting concluded at 7.36 pm



**CHAIRMAN**