

## AUDIT COMMITTEE

TUESDAY, 25TH JULY, 2017

**Present:**           **Councillors:**

**Cllr Nick Sharman (Chair)**  
**Cllr Brian Bell (Vice-Chair),**  
**Cllr Robert Chapman, Cllr Sem Moema and**  
**Cllr Carole Williams**

**Officers: Ian Williams, Michael Honeysett,**  
**Butta Singh, James Newman**

### **1    Apologies for absence**

1.1 Apologies for absence were submitted on behalf of Councillor Michelle Gregory.

### **2.   Declarations of Interests**

2.1 There were no declarations of interest.

### **3    Financial Statements Audit 2016/17 - Annual Governance Report (Council & Pension Fund)**

3.1 Andrew Sayers and Jennifer Townsend (KPMG) presented the External Audit Report 2016/17. The Committee noted that it was anticipated that the main audit for both the Pension Fund and the Council's main statements would be completed by the end of July. KPMG confirmed that they would not be in a position to issue a certificate until the WGA is completed, due end September, the Pension Fund Annual Report is available, due end December and any objections to the accounts received had been considered. The auditors would inform the Chair if any further matters arising from the audit needed to be brought to the Committee's attention. The accounts could be approved contingent on this and an audit opinion would then be expected before the end of July. The Committee was reassured by the report which was a further improvement on the previous year.

3.2 The Chair asked about the robustness of current contract management arrangements and the response that appropriate processes were in place and action taken while a number of lessons had been learned through this. The Committee was reassured that the issues around contract management were being addressed and emphasised the importance of there being appropriate processes in place to ensure proper management of contracts.

3.3 The Chair expressed thanks and congratulations on behalf of the Committee for the Department's success in completing the audit process within the new much shortened timetable.

**RESOLVED:**

To approve the external audit report 2016/17.

**4 Statement of Accounts 2016/17**

4.1 Ian Williams introduced the report presenting the Statement of Accounts for 2016/17, for approval prior to the issue of the audit opinion by the external auditor. The Committee noted that the main financial statements demonstrated that the Council continued to manage its finances in line with the resources available. Ian Williams thanked all those involved in the preparation of the statement of accounts.

4.2 Councillor Robert Chapman asked what the Council's policy was in regard to the level of its reserves. Ian Williams reported that the general balances on the General Fund and the Housing Revenue Account were maintained at £15m and £10.20m respectively. In addition the level of other earmarked reserves, held for specific purposes such as insurance or the recent purchase of an in-house fleet were not dissimilar to those held by other authorities. Councillor Chapman stressed the need to maintain a prudent level of reserves. He went on to ask how the Council managed risk on property management. Ian Williams told the Committee that due diligence was applied. He added that this was a diverse portfolio that generated much income for the Council.

4.3 The Chair asked that the Annual Governance Statement contained within the Statement of Accounts should in future reflect the fact that the Audit Committee was attempting to draw up a suite of Performance Indicators as part of its role. He stressed that the Council's services depended on income in what was a high risk time on income yields and that this should be reflected in the governance statement for next year.

4.4 Councillor Sem Moema asked about the format of future accounts and Ian Williams told the Committee that the current format of the accounts was a result of imposed rules and that there was an understanding that this format was difficult to engage with. The production of more streamlined accounts, accessible to members and the public was being considered, through CIPFA

**RESOLVED:**

1. To approve the Council's 2016/17 Statement of Accounts prior to the audit opinion being issued.
2. To approve in its own right, the Annual Governance Statement contained within the Statements of Accounts.

**Duration of the meeting:** 6:30 – 7:30pm

**Tuesday, 25th July, 2017**

Chair at the meeting on  
Tuesday, 25 July 2017