

Minutes

Audit Committee

Tuesday, 11 March 2014

Meeting held at Committee Room 3a - Civic Centre, High Street, Uxbridge UB8 1UW

	<p>Independent Member: John Morley (Chairman).</p> <p>Members Present: Councillors George Cooper, Raymond Graham, Paul Harmsworth and Richard Lewis.</p> <p>Officers Present: Kevin Byrne (Head of Policy, Performance and Partnerships), Anthony Dean (Principal Internal Auditor), Sarah Hydrie (Principal Internal Auditor), Sian Kunert (Chief Accountant), Muir Laurie (Head of Internal Audit), Nancy Le Roux (Deputy Director of Strategic Finance), Paul Whaymand (Director of Finance) and Khalid Ahmed (Democratic Services Manager).</p> <p>Others Present: Heather Bygrave (Deloitte).</p> <p>The Chairman reported that the scheduled private meeting which was to take place with the External Auditors prior to this meeting had not taken place because there were no outstanding issues to discuss.</p>
33.	<p>DECLARATIONS OF INTEREST</p> <p>Councillor George Cooper declared a Non-Pecuniary Interest in Agenda Item 5 – Deloitte - 2013/14 Annual Audit Plan, as he was a contributor to the Local Government Pension Fund. He remained in the room and took part in discussions on the item.</p> <p>Councillor Raymond Graham declared a Non-Pecuniary Interest in Agenda Item 5– Deloitte – 2013/14 Annual Audit Plan, as he was a Member of the Pensions Committee. He remained in the room and took part in discussions on the item.</p> <p>Councillor Paul Harmsworth declared a Non-Pecuniary Interest in Agenda Item 5 - Deloitte - 2013/14 Annual Audit Plan, as he was a Member of the Pensions Committee and a contributor to the Local Government Fund. He remained in the room and took part in discussions on the item.</p>
34.	<p>MINUTES OF THE MEETING HELD ON 7 JANUARY 2014</p> <p>Agreed as an accurate record.</p>
35.	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>It was agreed that all the items on the Agenda be considered in public.</p>

	<p>The Chairman expressed disappointment that this issue had not already been addressed. He noted that the Council would not be compliant for the whole of the financial year. Reference was made to the amended wording in last year's Annual Government Statement and the Chairman commented that this had been a temporary compromise and that his successor could adopt a more rigorous approach.</p> <p>Audit Plan for the Pension Fund</p> <p>Members noted the details in the report and that the plan would be considered by the Pensions Committee on 26 March 2014.</p> <p>RESOLVED -</p> <p>1. That the information contained in the report be noted.</p>	Kevin Byrne
37.	<p>REVISIONS TO THE TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2013/14 TO 2015/16</p> <p>Members were reminded that as part of the scrutiny process, the Committee had requested this report to provide details of the changes which had been made from the draft to the final version of the statement.</p> <p>RESOLVED-</p> <p>1. That the contents of the report be noted.</p>	
38.	<p>BALANCES AND RESERVES STATEMENT 2014/15</p> <p>Members were informed that an extract from the Balances and Reserves Statement 2014/15 was contained in the budget which had been reported to Cabinet and Council in February 2014.</p> <p>The Director of Finance reported that the Statement provided further detail on the Council's approach to the management and measurement of balances and reserves, outlining technical accounting guidance used and analysis of specific risks that lead to a determination of a prudent reserves and balances range.</p> <p>Members were provided with an explanation of the Council's unallocated balances and were informed that the strategy for the next 4/5 years would be for balances of over £30m.</p> <p>Reference was made to the substantial population growth within the Borough which had been evidenced by the 2011</p>	

	<p>Census and the impact this would have on demand for key services.</p> <p>RESOLVED –</p> <p>1. That the report be noted.</p>	
<p>39.</p>	<p>INTERNAL AUDIT - DRAFT INTERNAL AUDIT PLAN</p> <p>The Head of Internal Audit introduced the report and informed Members that the Council's draft Internal Audit (IA) Plan provided details of the planned IA activity. The Plan sought to:</p> <ul style="list-style-type: none"> • Provide all IA key stakeholders with independent assurance that the risks within the Council's fundamental systems and processes were being effectively managed; • Allowed the Council to demonstrate it was complying with the relevant legislation and applicable professional standards; • Demonstrated the Council's commitment to good governance and compliance with the UK Public Sector IA Standards (PSIAS); and • Set out that IA resources were being properly utilised. <p>Members were informed that the draft 2014/15 IA Plan detailed the high-level areas where IA resources would be utilised. For this year IA had adopted a greater risk based approach following a risk assessment exercise which has taken place throughout the year.</p> <p>Reference was made to the 400 days (25% of IA available resource) contingency which would allow for greater flexibility in IA coverage of new and emerging risks, which supported the continuously changing risk profile of the Council.</p> <p>The Head of Internal Audit reported that the calculated total available IA chargeable time for 2014/15 would be 1,600 days.</p> <p>Reference was made the audit needs analysis which took place and particular reference was made to the comment in the report that the Council's risk management framework not being sufficiently mature to place full reliance on service risk registers to identify all the risks that the Council faced.</p> <p>In relation to the reporting structure for Internal Audit, the Committee was reassured that the Head of Internal Audit was independent of the Council's Corporate Management Team.</p> <p>Reference was made to the role which IA had in relation to Internal Audit follow up work, and the advice which was given</p>	<p>Action By:</p>

	<p>to management and it was noted that the Chairman of the Audit Committee had an important role to play in this.</p> <p>The Committee was provided with information on the Key Performance Indicators for Internal Audit and Members were informed that that the Internal Audit software automatically calculated the statistics.</p> <p>RESOLVED –</p> <p>1. That the draft IA Plan for 2014/15 be approved.</p>	
40.	<p>INTERNAL AUDIT - REVISED INTERNAL AUDIT CHARTER</p> <p>The Principal Internal Auditor introduced the report and informed Members that the Internal Audit (IA) Charter was previously known as the IA Terms of Reference.</p> <p>The IA Charter was a key document in respect to the Council's internal control, risk management and corporate governance framework.</p> <p>The Committee was informed that the IA Charter had been updated to include several new sections including Fraud and Corruption as well as Quality Assurance and meant that it was now being more closely aligned with the PSIAS.</p> <p>RESOLVED –</p> <p>1. That approval be given to the revised IA Charter.</p>	
41.	<p>PROPOSED 2014/15 TRAINING & DEVELOPMENT PLAN FOR AUDIT COMMITTEE MEMBERS</p> <p>The Training & Development Plan was noted and Members asked that a training session be scheduled before the first meeting in the next Municipal Year of the Audit Committee, outlining to any new Members the role of the Audit Committee in the organisation, together with providing Members with information on the organisational structure of the Council.</p>	Muir Laurie
42.	<p>DELIVERING THE ANNUAL GOVERNANCE STATEMENT (AGS) 2013-14</p> <p>Members were provided with an update on the progress of the AGS and were informed that the key sources which contributed to the AGS included:-</p> <ul style="list-style-type: none"> • Performance management & data quality • Risk Management processes • Improvement and transformation • Legal and regulatory assurance 	

	<ul style="list-style-type: none"> • Financial control assurances • Service delivery assurances from Directors and Heads of Service • Annual Internal Audit report and assurance • External inspection reports and assurances <p>RESOLVED –</p> <p>1. That the sources of management information and assurance used to produce the AGS be noted.</p>	
43.	<p>CURRENT ISSUES: WORK PROGRAMME 2013/14 AND PROGRESS ON THE APPOINTMENT OF THE NEW INDEPENDENT CHAIRMAN</p> <p>Members noted that as this was the last meeting of the Municipal Year there was no work programme on the agenda.</p> <p>The Committee asked that a draft work programme be produced prior to the next meeting after being reviewed by the new Independent Chairman, when appointed.</p> <p>The Committee was provided with an update on the progress in the recruitment of the new Independent Chairman.</p>	Khalid Ahmed
44.	<p>RISK MANAGEMENT REPORT 2013/14</p> <p>The report on this item was included in Part II as it contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12 A to the Local Government (Access to Information) Act 1985 as amended.</p> <p>RESOLVED –</p> <p>1. That the Committee reviewed the Corporate Risk Register (as at the end of December 2013) as part of the role of the Committee to independently assure the risk management arrangements in the Council.</p>	
	<p>The meeting which commenced at 5.00pm, closed at 6.30pm</p> <p>Next meeting: 24 June 2014 at 5.00pm</p>	

These are the minutes of the above meeting. For more information on any of the resolutions please contact Khalid Ahmed on 01895 250833. Circulation of these minutes are to Councillors, Officers, the Press and Members of the Public.

