

Minutes

Audit and Governance Committee

Venue:	Committee Room
Date:	Wednesday 13 April 2016
Time:	5.00pm
Present:	Councillors M Jordan (Chair), K Arthur, D Buckle, Mrs J Chilvers, I Reynolds, A Thurlow and P Welch.
Apologies:	None.
Officers present:	Karen Iveson, Chief Finance Officer (s151); Phil Jeffrey, Audit Manager, Veritau; Jonathan Dodsworth, Counter Fraud Manager, Veritau; Suresh Patel, Engagement Lead/Director, Mazars; Dan Spiller, Senior Auditor, Mazars and Daniel Maguire, Democratic Services Officer
Public:	0
Press:	0

39. DISCLOSURES OF INTEREST

There were no disclosures of interest.

40. MINUTES

The Committee considered the minutes of the Audit and Governance Committee meeting held on 13 January 2016.

RESOLVED:

To approve the minutes of the Audit and Governance Committee meeting held on 13 January 2016.

41. CHAIR'S ADDRESS TO THE AUDIT AND GOVERNANCE COMMITTEE

The Chair reported that members of the Committee had been able to meet with the external Auditor, Mazars, prior to the meeting. The Chair introduced Suresh Patel, Engagement Lead (Mazars), who had assumed the role previously undertaken by Cameron Waddell.

The Committee was also advised that a working group had been established to review the Overview and Scrutiny procedures within the Council. The working group consisted of the Chair of each scrutiny committee and the Executive Member for Finance and Resources. The Group had met with officers on one occasion and would meet again on 19 May 2016.

42. AUDIT STRATEGY MEMORANDUM 2015/16 (REPORT A/15/20)

The Director (Mazars) presented the report which set out the audit plan for the year ending 31 March 2016. The Committee noted several points, including: that work provided by other auditors is utilised where relevant (such as the auditor of the North Yorkshire Local Government Pension Fund); that there were two 'significant risks' identified that required special audit provisions (these were management override of controls, and pension estimates); and that there were no significant risks in relation to the value for money conclusion.

The Committee was advised that the Materiality figure was £730k, with a triviality threshold of £22k. In response to questions from the Committee it was confirmed that these figures were calculated using a formula that takes into account various factors including: spending; level of reserves; and the audit history. The Committee further noted that the triviality threshold was set at a percentage of the Materiality figure, and that the figure should be considered in the context of the Council's overall budget.

The Committee noted changes to the measurement basis for Highways Network Assets. It was confirmed that these changes were not retrospective and would apply from 2016/17 onwards. The external auditor confirmed that the impact for Selby District Council was expected to be low-level.

RESOLVED:

To note the report.

43. EXTERNAL AUDIT PROGRESS REPORT (REPORT A/15/21)

The Senior Auditor (Mazars) presented the report. The Committee were advised that audit planning for 2015/16 had been completed and that a North Yorkshire Governance Forum had been established. The Governance Forum had met in February 2016 and had been established to: promote good practice; facilitate dialogue and sharing of ideas; horizon scanning; and

providing a valued forum for discussion. The Forum included officers and councillors from North Yorkshire local authorities, in particular Audit Committee Chairs and/or Vice-Chairs.

The Committee noted changes relating to the public inspection of accounts, and the additional guidance concerning conflicts of interest for directors of companies that are partly, or wholly, owned by the public sector.

RESOLVED:

To note the report.

44. INTERNAL AUDIT PROGRESS REPORT (REPORT A/15/22)

The Audit Manager (Veritau) presented the report, which updated the Committee on progress against the Internal Audit Plan. The Committee noted that a total of 51 agreed actions from 2014/15 had been followed up, and of these 38 had been satisfactorily implemented and 10 had not been implemented by the target date. It was confirmed that the actions not implemented by the target date had been given revised target dates, but the opinion of the auditor was that this would not lead to unacceptable exposure to risk.

The Committee further noted that, of the 13 agreed actions from 2015/16, 3 had been satisfactorily implemented and 10 actions had been set a revised target date.

The Committee were presented with a summary of progress against key actions and were able to ask questions of the Audit Manager (Veritau) and the Chief Finance Officer. The Committee noted in particular the following actions: PCI DSS Compliance (2014/15); Information Security Checks; and Governance and Transparency. The Committee welcomed the progress made in relation to Health and Safety, but was concerned about the number of agreed actions that had not been satisfactorily implemented by the target date and had been given a revised target date. The Chief Finance Officer reassured the Committee that this would be raised with the officers concerned and oversight would be maintained by the leadership team.

RESOLVED:

To note the report.

45. INTERNAL AUDIT AND COUNTER FRAUD PLAN 2016/17 (REPORT A/15/23)

The Audit Manager (Veritau) presented the report, which set out the Internal Audit and Counter Fraud Plan for 2016/17. The Committee was informed that the two documents were now provided in one, but that the number of audit days remained the same. In addition the plan included 105 days for Counter

Fraud work. In addition, it was confirmed that contingency days were provided in the plan to ensure a degree of flexibility.

The Committee asked that the effects of the recent Organisational Review should be monitored. The Committee was advised that 15 days had been provided for in the Plan to review Organisational Development, and this would mean any risks would be reported to the Committee in the usual way.

RESOLVED:

To approve the Internal Audit and Counter Fraud Plan 2016/17.

46. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2015/16 (REPORT A/15/24)

The Annual Report was considered, and no amendments were suggested. It was confirmed that the Democratic Services Officer required delegated authority to update Appendix A to reflect work completed at the final meeting of the municipal year to ensure that the published report was fully accurate.

RESOLVED:

(i) To approve the Audit and Governance Committee Annual Report; and

(ii) To delegate authority to the Democratic Services Officer, in consultation with the Chair, to update the Appendix to reflect the work undertaken at the final meeting of the municipal year.

47. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 2016/17 (REPORT A/15/25)

The Work Programme 2016/17 was considered by the Committee. It was confirmed that a short training / briefing session would be provided before each meeting, which would reflect the agenda of each meeting.

RESOLVED:

To approve the Audit and Governance Committee Work Programme 2016/17.

The meeting closed at 5.59pm.