

**20 SEPTEMBER 2013**  
**NEW FOREST DISTRICT COUNCIL**  
**AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee held at Appletree Court, Lyndhurst on Friday, 20 September 2013.

p Cllr A O'Sullivan (Chairman)  
p Cllr Mrs D E Andrews (Vice-Chairman)

**Councillors:**

p M R Harris  
p C J Harrison  
p D B Tipp

**Councillors:**

p R A Wappet  
a C A Wise  
p Mrs B M Woodifield

**Officers Attending:**

R Jackson, J Cranston, Mrs R Drummond, K Green, Mrs L Upton, A Rogers

**Also in Attendance:**

Mrs H Thompson and Mr M Haines, Ernst and Young (External Audit).

**14. MINUTES.**

**RESOLVED:**

That the minutes of the meeting held on 21 June 2013 be signed by the Chairman as a correct record.

**15. DECLARATIONS OF INTEREST.**

No declarations of interest were made by any members in connection with any agenda item.

**16. PUBLIC PARTICIPATION.**

No issues were raised during the public participation period.

**17. EXTERNAL AUDITOR'S DRAFT FINDINGS REPORT (REPORT A).**

The Committee received the report of the External Auditor on the audit results for the year ended 31 March 2013. Unqualified opinions were provided for the Statement of Accounts and the Value for Money conclusion. No significant risks were identified in the Audit Plan.

**RESOLVED:**

That the report be noted and that the Letter of Representation as set out in Appendix B be supported and signed by the Chairman.

**18. ANNUAL FINANCIAL REPORT (STATEMENTS OF ACCOUNTS) (REPORT B).**

The Committee considered the Annual Financial Report (Statement of Accounts) 2012/13. Officers outlined the changes that had arisen since the last meeting which were very few, and answered Members' detailed questions.

**RESOLVED:**

That the Statement of Accounts for 2012/13 as set out in Report B be approved.

**19. ANNUAL GOVERNANCE STATEMENT (REPORT C).**

The Committee considered the Annual Governance Statement for 2012/13. The Committee had previously received a draft of the document at its June meeting. It was confirmed that the Statement would be published on the Council's website in an area easily accessible to the public.

The Leader of the Council and Chief Executive would sign the document following the Committee's agreement.

**RESOLVED:**

That the Audit Committee approve the Annual Governance Statement for the Financial Year ended 31 March 2013 as reported in Appendix 1 to Report C.

**20. GOVERNANCE ACTION PLAN PROGRESS (REPORT D).**

The Committee noted an update on progress made against the recommendations made in the internal Annual Governance Reviews for 2012/13.

It was queried whether a review of the full year of operation of the Council Tax Reduction Scheme should be submitted to the Audit Committee at the appropriate time. It was explained that this matter was being monitored by the relevant Task and Finish Group, and also Audit would be reviewing changes as part of its usual work.

**RESOLVED:**

That the progress made as set out in Appendix 1 to the report be noted.

**21. PROGRESS AGAINST THE 2013/14 AUDIT PLAN (REPORT E).**

The Committee noted progress against the 2013/14 Internal Audit Plan, which was approved by the Committee in March 2013.

Good progress had been made, with some minor slippage on some items. The Committee noted high priority recommendations as agreed with individual services as set out in paragraph 2.5 of the report. The Committee was pleased to note that no significant issues had been highlighted.

**RESOLVED:**

That the content of the report be noted.

**22. TREASURY MANAGEMENT PERFORMANCE REPORT – 1 APRIL 2013 – 31 AUGUST 2013 (REPORT F).**

The Committee noted the performance of the Treasury Management function for the period from 1 April 2013 to 31 August 2013. The report highlighted the Council's borrowing and investment activities.

It was noted that rates of return were relatively flat, which affected the Council's future revenue generation. The strategy continued to be closely monitored and investments reviewed on a regular basis. The Treasury Management Strategy would be reported to a future meeting in the usual way.

**RESOLVED:**

That the performance of the Treasury Management function for the period from 1 April 2013 to 31 August 2013 be noted.

**23. RISK MANAGEMENT STRATEGY AND STRATEGIC RISK REGISTER (REPORT G).**

The Committee noted the development and the operation of the risk management regime in the Council.

The aim of Risk Management was to identify significant risks which may impact on the Council achieving its objectives, and, where possible, formulate measures to reduce the likelihood of them occurring. The risks were scored in terms of likelihood and impact.

Whilst it was acknowledged that some of the risks identified were not within the Council's control, the point was made that the Council had to demonstrate it had taken steps to address issues, both within its control and externally driven, so far as was reasonable. The external auditor felt that the arrangements as reported provided a more consistent framework to assess risks across a diverse range of services, highlighting the likelihood of potential impacts. The list assisted in discerning the relative importance of risks across the Authority.

**RESOLVED:**

- (a) That the development of risk management through the revised Risk Management Strategy shown and Strategic Risk Register appended to this report be noted; and

- (b) That the Cabinet be advised of the effectiveness of the Council's Risk Management arrangements in satisfying the requirements and good practice recommendations set out in the report.

**24. PROCUREMENT RULES, REGULATIONS & CONTRACT STANDING ORDERS – WAIVERS 20/12/13 (REPORT H).**

The Committee noted the waivers to various Council rules and regulations relating to procurement for the financial year 2012/13.

Members noted the waiver relating to the works for coastal physical modelling to the value of £130,000, and for the development of 4 affordable homes in Milford-on-Sea at a contract cost of £685,000. The remaining 10 waivers granted were valued between £0 and £33,580.

The reason for granting these waivers was outlined in Appendix 1 to Report H and the Committee was satisfied with the reasons given.

**RESOLVED:**

That the waivers to the Council's Procurement Rules, Regulations and Contract Standing Orders approved during the financial year 2012/13 be noted.

**25. AUDIT COMMITTEE – WORK PLAN (REPORT I).**

The Committee considered its future Work Plan.

It was noted that the January meeting would consider the annual write off report for 2012/13 and the report would be included on the agenda for the June meeting. The agenda for the January meeting would also include a report on the Annual Governance Statement.

**RESOLVED:**

That the work plan attached to Report I to the Committee be approved, subject to the amendments above.

**26. DATES FOR AUDIT COMMITTEE MEETINGS IN 2014/15.**

**RESOLVED:**

That the meeting dates of the Committee for 2014/15 be as follows:-  
(Fridays, 10.00 a.m.)

20 June 2014  
26 September 2014  
23 January 2015  
20 March 2015

CHAIRMAN