

27 MARCH 2015

**NEW FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee held at Appletree Court, Lyndhurst on Friday, 27 March 2015.

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

**Councillors:**

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

**Councillors:**

p R A Wappet  
p J G Ward  
p C A Wise

**Officers Attending:**

A Rogers, Mrs L Upton

**Also in Attendance:**

Ms Justine Thorpe, (Ernst and Young)

**46. MINUTES.**

**RESOLVED:**

That the minutes of the meeting held on 23 January 2015 be signed by the Chairman as a correct record.

**47. DECLARATIONS OF INTEREST.**

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

**48. PUBLIC PARTICIPATION.**

No issues were raised during the public participation period.

**49. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING (REPORT A)**

The Committee noted the External Auditor's Local Government Audit Committee Briefing. Members made a number of comments and asked a number of questions to which answers were given.

Members referred to page 3 of the briefing note which gave guidance on the level of information in Annual Reports and Statements of Accounts. The guidance made the point that the best reports were not necessarily the longest or most detailed.

Stakeholders wanted such reports to present concise and relevant information in a way that helped them understand how their money was being spent. Reports should also set out how their services were being managed, along with a clear description of the risks and challenges that lay ahead. Members suggested that a covering report be provided with an explanatory summary to assist Members' understanding, including use of graphs. Members requested that officers give consideration to this guidance when preparing future statements of accounts.

Members also referred to page 8 of the documents dealing with key questions for the Audit Committee, in particular evaluating the close-down process for accounts and areas that could be streamlined or brought forward. Members queried how they could evaluate this process and whether or not it was being done well. Members were assured that the relevant processes were in place but these were aspects that could be addressed in future committee training sessions.

Action: Kevin Green

**RESOLVED:**

That the report be noted.

**50. EXTERNAL AUDIT PROGRESS REPORT ON 2014/15 AUDIT (REPORT B)**

The Committee received the External Auditor's progress report on the 2014/15 Audit. It was reported that the External Auditor had completed its high level plan which included:

- Scoping its Audit
- A walk through of Council systems
- Plans for substantive testing of transactions carried out throughout the year to be undertaken in July

**RESOLVED:**

That the report be noted.

**51. PROGRESS REPORT AGAINST THE 2014/15 AUDIT PLAN (REPORT C)**

The Committee noted the internal auditor's progress report on the 2014/15 Audit. The Internal Audit Manager gave an update to the Committee on various audit activities, including internal fraud investigations, assisting on compliance with new procurement regulations, changes to service provision at other Councils and related resources for NFDC audits.

The Committee noted progress with high priority recommendations, specifically the PCI DSS assessments. The Committee wished to see the resolution of the matter expedited as far as possible. The Internal Audit Manager sought guidance from the Committee on the level of detail for future versions of this report. Members requested more detail on areas where there was limited assurance, particularly on aspects involving income, and on higher priority work, reporting by exception.

**RESOLVED:**

That the report be noted, subject to comments made.

Action: Lucinda Upton

**52. INTERNAL AUDIT CHARTER, ASSURANCE FRAMEWORK AND INTERNAL AUDIT PLAN 2015/16 (REPORT D)**

The Committee considered the Internal Audit Charter, Assurance Framework and Internal Audit Plan for 2015/16. The Internal Audit Manager explained that additional resources were being allocated for fraud and transformational projects in the forthcoming year.

**RESOLVED:**

That the report be noted.

**53. WORK PROGRAMME (REPORT E)**

The Panel considered the Committee's future Work Programme. It was noted that the agenda for the next meeting would include the Committee's Annual Report for 2014/15, which would then be submitted to full Council.

The Chairman wished to thank all members of the Committee for their input since the Committee was set up in 2012, and gave particular thanks to the Vice-Chairman, Councillor Mrs Andrews, to Lucinda Upton, Internal Audit Manager, and Andy Rogers, as Committee Administrator for their help and support during this time.

CHAIRMAN