

25 SEPTEMBER 2015

NEW FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held in Committee Room 1, Appletree Court, Lyndhurst on Friday, 25 September 2015

* Cllr A D O'Sullivan (Chairman)

* Cllr J G Ward (Vice-Chairman)

Councillors:

* W G Andrews

* M R Harris

* J D Heron

Councillors:

* Mrs E L Lane

* R A Wappet

C A Wise

*Present

Also in Attendance

Ms J Thorpe, Mrs H Thompson (Ernst and Young)

Mr A Boutflower (Hampshire County Council)

Officers Attending:

Miss G Chambers, K Green, R Jackson, Ms N Kitcher and Mrs L Conway

Apologies:

Apologies were received from Cllr Wise.

22 MINUTES

RESOLVED:

That the minutes of the meeting held on 26 June 2015 be signed by the Chairman as a correct record.

23 DECLARATIONS OF INTEREST

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

24 PUBLIC PARTICIPATION

No issues were raised during the public participation period.

25 AUDIT RESULTS REPORT 2014/15 (EXTERNAL AUDITOR)

The Committee noted the External Auditor's Results Report 2014/15. The report summarised the findings from the 2014/15 Audit, which was substantially complete and had considered the Council's financial statements, appropriate arrangements to secure value for money, whole of Government accounts and the Audit Certificate.

The report also included audit risks and assurances gained in connection with these.

It was noted that Mrs Thompson would be moving to work on other local authorities and a colleague, Kate Handy, would be taking over from January 2016.

RESOLVED:

That the report be noted.

26 ANNUAL FINANCIAL REPORT (STATEMENT OF ACCOUNTS) 2014/15

The Committee considered the Statement of Accounts for 2014/15. The Committee were reminded that their role was to consider and authorise the Statement of Accounts as a true and fair view of the Council's position. No significant changes had been made to the report since it was last received by the Committee in June 2015. The Committee asked a number of detailed questions.

RESOLVED:

That the Statement of Accounts for 2014/15 as set out in the report be approved.

27 ANNUAL GOVERNANCE STATEMENT 2014/15

The Committee considered the Annual Governance Statement for 2014/15.

RESOLVED:

- (a) That the Annual Governance Statement for the financial year ended 31 March 2015 as reported in Appendix 1 to the report be approved;
- (b) That the Leader of the Council and the Head of Paid Service sign the Annual Governance Statement for 2014/15; and
- (c) That the Annual Governance Statement for 2014/15 be published on the Council's website, ensuring ease of access.

28 AUDIT COMMITTEE REPRESENTATION LETTER

The Committee approved the Representation Letter to the External Auditor before being signed by the Chairman and Section 151 Officer.

29 PROGRESS AGAINST THE 2015/16 AUDIT PLAN

The Committee noted progress made against the Internal Audit Plan 2015/16 and progress made against high priority audit recommendations. Members noted the current structure of the internal audit partnership and the related resource implications. Members were pleased to note the benefits of the reciprocal working arrangements where staff from this authority undertook work for Purbeck and East Dorset and vice-versa.

RESOLVED:

That the report be noted.

30 TREASURY MANAGEMENT MID-YEAR MONITORING REPORT 2015/16

The Committee considered the performance of the Treasury Management function for 2015/16 together with proposed changes to the Treasury Management Strategy.

The report detailed the economic background, the Borrowing Strategy, Investment Strategy, as well as compliance with the Prudential and Treasury Management Indicators. The Committee considered recommended changes to the current strategy, including changes to the Investment Strategy and an increase in investment limits. It was noted that Hampshire County Council managed £65m worth of investments on behalf of New Forest District Council, which was £10m more than the previous year.

Members noted the new Treasury Management Strategy limits which came into effect on 1 April 2015 and the one day breach of the investment limits in relation to a 'call account' which represented a small non-compliance which was immediately rectified without any financial impact for the Council. Control systems were under review to identify any improvements to ensure that this was not repeated.

RECOMMENDED:

- (a) ***That the changes to the 2015/16 Treasury Management Strategy as set out in the report be approved; and***
- (b) ***That the proposal to add up to a further £4m of long-term pooled investments to New Forest District Council's investment portfolio be noted.***

RESOLVED:

- (a) That the performance of the treasury function detailed in this report be noted;
- (b) That the instance of investment limits being breached set out in paragraphs 4.11 and 4.12 be noted; and
- (c) That the performance of the treasury function detailed in the report be noted.

31 AUDIT COMMITTEE - WORK PLAN 2015/16

The Committee noted its future Work Plan.

It was agreed that a general overview of the work of the Committee, including External and Internal Audit and an explanation of the financial statements, be arranged for the Committee in October / November.

RESOLVED:

That the report be noted and that a training session be arranged as detailed above.

32 DATES FOR AUDIT COMMITTEE MEETINGS IN 2016/17

RESOLVED:

That the following dates for meetings of the Committee in 2016/17 be approved (Fridays at 10.00am):

- 24 June 2016
- 23 September 2016
- 27 January 2017
- 24 March 2017

CHAIRMAN