

23 SEPTEMBER 2016

NEW FOREST DISTRICT COUNCIL

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held in Committee Room 1, Appletree Court, Lyndhurst on Friday, 23 September 2016

- * 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:

Mr A Boutflower, Hampshire County Council
Ms J Thorpe, Ernst & Young LLP

Officers Attending:

A Bethune, Miss G Chambers, Mrs L Conway, Ms N Kitcher, Miss G O'Rourke and A Rogers

Apologies

19 MINUTES

RESOLVED

That the minutes of the meeting held on 28 June 2016 be signed by the Chairman as a correct record, subject to Cllr J G Ward being shown as having apologised for the meeting.

20 DECLARATIONS OF INTEREST

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

21 PUBLIC PARTICIPATION

No issues were raised during the public participation period.

22 AUDIT RESULTS REPORT 2015/16 (EXTERNAL AUDITOR)

The Committee noted the External Auditor's Results Report for 2015/16. The report summarised the findings from the 2015/16 Audit, and confirmed that no unadjusted or adjusted audit differences needed to be reported. On behalf of Ernst & Young LLP, Ms Thorpe wished to thank the NFDC officers for production of excellent papers and a comprehensive set of accounts which helped make for a very smooth auditing process.

RESOLVED:

That the External Auditor's Audit Results Report for the year ended 31 March 2016 be noted and that the Management Representation Letter be signed by the Section 151 Officer and the Chairman of the Audit Committee.

23 AUDIT PROGRESS UPDATE (EXTERNAL AUDITOR)

The Committee received a Progress Report from the External Auditor, including an update on the procurement of external audit services.

The Committee noted that from 2018/19 the Council would be responsible for appointing their own External Auditors, and directly managing the resulting contract and the relationship. The DCLG had approved Public Sector Audit Appointment's (PSAA) bid to become the sector-led body for the independent appointment of auditors for principal authorities in England, beginning with responsibilities for the financial years 2018/19.

Around 270 Councils and local bodies had expressed an interest in joining the national scheme which PSAA would develop. NFDC had expressed an interest in joining the scheme.

RESOLVED:

That the report be noted.

24 ANNUAL FINANCIAL REPORT (STATEMENT OF ACCOUNTS) 2015/16

The Committee considered the Council's Statutory Annual Financial Report for 2015/16.

The Section 151 Officer wished to thank Ernst & Young LLP for their assistance and co-operation in the production of the report. No significant changes had been made to the report since the summary accounting statements were last received by the Committee in June 2016. He felt the accounts reflected the fact that the Council was in a financial good position.

RESOLVED:

That the Annual Financial Report for 2015/16 as set out in the report be approved and signed by the Section 151 Officer and Chairman of the Audit Committee.

25 ANNUAL GOVERNANCE STATEMENT 2015/16

The Committee considered the Annual Governance Statement for the financial year ended 31 March 2016.

The Executive Head – Governance and Regulation – explained that the Governance framework would be reviewed over the next year with the aim of making it more proportionate and focused.

RESOLVED:

- (a) That the Annual Governance Statement for the financial year ended 31 March 2016 be approved;
- (b) That the Leader of the Council and Head of Paid Service sign the Annual Governance Statement 2015/16 as set out in the report; and
- (c) That the Annual Governance Statement 2015/16 be published on the Council's website ensuring ease of access for members of the public.

26 AUDIT COMMITTEE REPRESENTATION LETTER

The Committee received the draft Representation Letter to the External Auditor before it was signed by the Chairman and the Section 151 Officer.

RESOLVED:

That the Representation Letter to the External Auditor be signed by the Chairman and Section 151 officer.

27 PROGRESS AGAINST THE 2016/17 INTERNAL AUDIT PLAN

The Committee noted progress made against the Internal Audit Plan for 2016/17 and progress made against high priority audit recommendations.

RESOLVED:

That the report be noted.

28 TREASURY MANAGEMENT MID-YEAR MONITORING REPORT 2016/17

The Committee received the Treasury Management Mid-Year Monitoring Report for 2016/17.

It was noted that investments had been in line with the Treasury Management Strategy and there was no additional borrowing activity. It was noted that there would be an impact as a result in the base rate which would reduce the yield from investments. The Governor of the Bank of England was indicating a further base rate cut. Some Members felt that consideration should be given to investing further in property or other areas which gave a better return.

RESOLVED:

That the Treasury Management Mid-Year Monitoring Report for 2016/17 be noted.

29 AUDIT COMMITTEE WORK PLAN 2016/17

The Committee noted its future Work Programme.

It was agreed that a Risk Training Session be arranged for Committee Members at the next meeting on 20 January 2017.

30 DATES FOR AUDIT COMMITTEE MEETINGS IN 2017/18

The Committee considered suggested dates for Audit Committee meetings in 2017/18. It was noted that since the agenda had been dispatched, it had become necessary to amend the 22 September 2017 date to 25 August 2017 in order to accommodate new work flow cycles.

RESOLVED:

That the following dates be agreed for meetings in 2017/18 (Fridays at 9.30am):

23 June 2017
25 August 2017
26 January 2018
23 March 2018

CHAIRMAN