

**31 MAY 2019**

**NEW FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee held in Committee Room 1, Appletree Court, Lyndhurst on Friday, 31 May 2019

Cllr Alan O'Sullivan (Chairman)  
\* Cllr Emma Lane (Vice-Chairman)

**Councillors:**

\* Alan Alvey  
\* Hilary Brand  
\* Mahmoud Kangarani

**Councillors:**

\* Martyn Levitt  
\* Ann Sevier  
\* John Ward

\*Present

**Also In Attendance:**

Andrew Boutflower, Hampshire County Council  
Rob Sarfas, Hampshire County Council

**Officers Attending:**

Grainne O'Rourke, Alan Bethune, Lisa Conway, Antony Harvey, Andrew Kinghorn, Andy Rogers and Ryan Stevens

**Apologies**

Apologies for absence were received from Cllr O'Sullivan.

The Vice-Chairman, Cllr Lane, in the Chair

**4 MINUTES**

**RESOLVED:**

That the minutes of the meetings held on 29 March and 20 May 2019 be signed by the Chairman as correct records.

**5 DECLARATIONS OF INTEREST**

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

**6 PUBLIC PARTICIPATION**

No issues were raised during the public participation period.

**7 TREASURY MANAGEMENT ANNUAL OUTTURN REPORT 2018/19**

The Committee considered the Treasury Management annual outturn report 2018/19.

**RESOLVED:**

That the Treasury Management annual outturn report 2018/19 be noted.

**8 PROCUREMENT RULES, REGULATIONS & CONTRACT STANDING ORDERS - WAIVERS 2018/19**

The Committee considered the procurement rules, regulations and contract standing orders – waivers report for 2018/19.

It was reported that there were 14 applications for a waiver against the procurement rules, regulations and contract standing orders between 1 April 2018 and 31 March 2019, of which 4 were approved. The total value of all approved waivers was £409,695, compared with 39 applications submitted during 2017/18, with approved waivers £2,964,979. This considerable reduction in waivers was attributable to the recent changes in authorised spending thresholds.

**RESOLVED:**

That the summary of waivers to the Council's procurement rules, regulations and contract standing orders approved during the financial year 2018/19 be approved.

**9 FINAL ACCOUNTS BAD DEBTS WRITE OFFS 2018/19**

The Committee received a summary of the final accounts 2018/19 bad debts write offs.

The Committee requested further details of the bad debt provision be brought to a future meeting of the Committee.

**RESOLVED:**

That the report be noted.

Action: Ryan Stevens

**10 FRAUD REPORT**

The Committee received an update on the fraud reduction activities for 2018/19 the outcomes of the 39 referrals were detailed in Appendix 1 to the report.

In answer to a member's question, it was confirmed that the Council would take robust legal action where there was sufficient evidence and it was in the public interest.

**RESOLVED:**

That the content of the report be noted.

**11 ANNUAL INTERNAL AUDIT REPORT AND OPINION 2018/19**

The Committee received the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance for the year ending 31 March 2019.

Members requested that the Internal Audit Plan for 2018/19 be sent to the Committee as background, especially for new members.

**RESOLVED:**

That the Annual Internal Audit report and opinion for 2018/19 be approved.

**12 LOCAL CODE OF GOOD GOVERNANCE REVIEW - ANNUAL REPORT OF THE MONITORING OFFICER AND CHIEF FINANCE OFFICER 2018/19**

Reference was made to the PCI accreditation which was dependent on forthcoming software upgrades.

**RESOLVED:**

That the assessment carried out by the Monitoring Officer and the Chief Finance Officer on actions arising from the Good Governance Review 2018/19 be noted, together with the Council's compliance with the Code and related action plan as set out in the report.

**13 DRAFT ANNUAL GOVERNANCE STATEMENT - 2018/19**

The Committee considered the draft Annual Governance Statement for 2018/19.

It was noted that the Statement was internally self-assessed involving the Executive Management Team and Internal and External Audit and centred on seven core principles.

Members requested a presentation to explain the risks at a future meeting on the ICT Security Policy/cyber risk to be provided by ICT and Audit, at a time to be agreed with the Chairman and Vice-Chairman.

Action: Alan Bethune/Grainne O'Rourke/Antony Harvey/Rob Beere

**RESOLVED:**

That the draft Annual Governance Statement for the financial year ended 31 March 2019 as set out in Appendix 1 to the report be approved.

**14 DRAFT ANNUAL FINANCIAL REPORT 2018/19**

The Committee considered the draft Annual Financial Report for 2018/19. The accounting statements within the Annual Financial Report comprised:

- 1a) Comprehensive Income and Expenditure Statement
- 1b) Expenditure and Funding Analysis (in NFDC management format)
- 2) Movement in Reserves
- 3) Balance Sheet
- 4) Housing Revenue Account
- 5a) Collection Fund – Council Tax
- 5b) Collection Fund – Business Rates
- 6) Cash Flow Statement

An updated balance sheet (Appendix 3) was circulated giving revised figures for short and long term investments/assets. The Head of Finance gave an overview of the Council's financial position and reported an increase in the net worth of the Council.

**RESOLVED:**

That the draft accounting statements set out in Appendices 1-6 summarising the Annual Financial Report to be certified by the responsible Financial S151 Officer be approved for submission to the External Auditor by the deadline of 31 May 2019.

**15 AUDIT COMMITTEE WORK PLAN**

The Committee reviewed its work plan for the forthcoming year.

CHAIRMAN