

## **AUDIT COMMITTEE**

**Meeting held in the Committee Room, Council Offices, Urban Road, Kirkby-in-Ashfield,**

**on Monday, 24th July, 2017 at 6.30 pm**

**Present:** Councillor Kevin Rostance in the Chair;

Councillors Lee Anderson, Chris Baron,  
Rachel Bissett, Jackie James and  
Robert Sears-Piccavey.

**Apology for Absence:** Councillor Christine Quinn-Wilcox.

**Officers Present:** Lynn Cain, Ruth Dennis and Sharon Lynch.

**In Attendance:** Adrian Manifold (CMAP), Mandy Marples (CMAP).  
Councillor Paul Roberts.

### **AC.1 Declarations of Disclosable Pecuniary or Personal Interests and Non Disclosable Pecuniary/Other Interests**

There were no declarations of interest made.

### **AC.2 Minutes**

RESOLVED that

- a) the minutes of the meeting of the Committee held on 20<sup>th</sup> March, 2017, be received and approved as a correct record;
- b) for future meetings, a 'summary of action points' be added to the agenda item for minutes being received and approved to enable officers to update Committee on any progress as required.

### **AC.3 Draft Statement of Accounts 2016/17**

Members were asked to consider the Council's draft Statement of Accounts for 2016/17. The Committee was required to do this in order to comply with the Accounts and Audit Regulations (England) 2015.

The Corporate Finance Manager and Section 151 Officer, Sharon Lynch, explained that the accounts were intended to provide a summary of how the Council performed during the last financial year. They were still in draft form at this stage and were currently being checked by the Council's external auditors.

A presentation was given highlighting the key points from the draft accounts and, in particular, the Council's significant underspend in a range of areas. Members were advised on some of the reasons for the under spends including any mitigating circumstances.

Members discussed the draft accounts and some of the specific information. There was a general consensus that the Council was in a manageable financial position at present although it was acknowledged by Committee that the Council would require earlier intervention and monitoring in the future to ensure budgets underspends were kept to a minimum.

To conclude, the Chairman took the opportunity to thank those involved in compiling the draft accounts for their continued hard work and commitment.

#### RESOLVED

that the draft Statement of Accounts for 2016/17 and the current out-turn position, as presented, be received and noted.

(During consideration of this item, Councillor Rachel Bissett entered the meeting at 6.55 p.m.)

#### **AC.4 Internal Audit Annual Report 2016/17**

Adrian Manifold, CMAP Audit Manager, presented the Internal Audit Annual Report for 2016/17. The Chief Audit Executive had reached an overall opinion, as based on work undertaken throughout the year, that there was currently a 'satisfactory system of internal control' at the Council. Findings had indicated that on the whole, controls were satisfactory and management had accepted all of the issues raised within audit reports and had implemented recommendations as required.

The opinion had been arrived at by having regard for the following:-

- the level of coverage by Internal Audit was acceptable;
- all assignments attracted either a 'Comprehensive' or 'Reasonable' assurance rating;
- all reports have been accepted by management including the agreed actions;
- sufficient audit coverage of the Council's main financial systems had been provided;
- Risk Management at the Council has been deemed to be reasonable;
- designated actions were progressing satisfactorily;
- the fraud action plan was progressing satisfactorily and no significant weaknesses had been identified;
- no concerns through the Data Quality Audit had been raised regarding the Council's data quality;
- the range of work undertaken had been deemed to be appropriate;

- Internal Audit had met regularly with the former Deputy Chief Executive (Resources) to discuss any emerging issues or risks;
- key risks following the transfer of AHL had been scrutinised and were satisfactory;
- assurances had been provided in relation to the continued role and influence of the S151 Officer;
- adequate assurance provided by Mansfield District Council's Internal Audit service in relation to payroll.

Committee briefly considered the range of audit coverage (via type and Division) undertaken during 2016/17, the grading of assurance ratings, performance measures and customer satisfaction returns and lastly, the overall level of risk associated with the audit recommendations made over the year. To conclude, the CMAP Audit Manager stated that overall he was pleased with the Council's status for 2016/17.

#### RESOLVED

that the 2016/17 Annual Report of Internal Audit and the Internal Audit Opinion that supports it, be received and approved.

Reason:

To approve the Annual Report as part of the documentation supporting the Annual Governance Statement.

### **AC.5 Audit Progress Report**

Adrian Manifold presented the report and summarised the audit progress from 1<sup>st</sup> March, 2017 until 30<sup>th</sup> June, 2017 with 8 assignments having been completed during this period.

With regard to the Responsive Maintenance/Voids audit assignment, this audit had been undertaken using a new method called an 'agile audit'. This new method was unique to the public sector and involved carrying out the audit over a shorter period and engaging management throughout the process.

This particular audit was now 95% complete and had ensured officers were better informed and had allowed issues to be addressed in a timely manner. Although only a trial at this stage, the quick turnaround had been welcomed by managers and the feedback was very positive. CMAP were encouraged by this result and would be using the method again.

Members' attention was drawn to the Private Sector Housing audit assignment that had been assigned a Limited rating. Some weaknesses had been discovered and 8 recommendations had been reported. Management had taken the recommendations on board and were progressing them without delay. 6 were due to be implemented by the end of the audit review with the remaining 2 having an implementation date of 31<sup>st</sup> August, 2017.

Members briefly discussed the completed audit assignments, the allocated risk levels and any progress regarding the implementation of agreed recommendations.

In response to a question, Committee received an update in relation to the future provision of the External Audit function once KPMG ceased to provide the service to the Council after completion of the 2017/18 audit. The appointment of External Auditors for local authorities for the financial year 2018/19 onwards had been completed by the Public Sector Audit Appointments (PSAA). A formal announcement by the PSAA of the appointment of External Auditors would take place on 31<sup>st</sup> December 2017.

**RESOLVED**

that audit assignment progress as at 30<sup>th</sup> June, 2017, as presented to Committee, be received and noted.

**Reason:**

To ensure Members are kept fully informed of progress against the agreed Audit Plan.

The meeting closed at 7.55 pm

Chairman.