

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Tuesday, 23 July 2019 at 6.00 pm in Meeting Rooms G3/G4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Present: Councillors P Watling (Chair), C F Smith (Vice-Chair), V J Holt and W L Tomlinson

In Attendance:

Apologies: N A M England and K S Sahota

AU15 Declarations of Interest

None.

AU16 Minutes of the Previous Meeting

The minutes of the meeting held on 30 May 2019 were agreed and signed by the Chair.

AU17 Treasury Management Outturn 2018/19 and Update 2019/20

The Committee received the report of the Assistant Director: Finance & HR (Chief Financial Officer) which gave an overview of the position of the treasury portfolio. The year ended with net indebtedness of £251.2m (borrowing: £266.9m less investments: £15.7m.

The base rate had increased from 0.50% to 0.75% on 2 August 2018 and remained there for the rest of 2018/19. It is predicted to remain at this rate for the foreseeable future. The borrowing strategy for 2019/20 remained consistent with that of 2018/19 was to borrow temporarily to take advantage of low interest rates where possible and review opportunities for new longer term borrowing as appropriate. Overall, treasury delivered a net over-achievement of £3.161m against the budget set for 2018/19.

The majority of the saving relates to the benefit of low interest rates on the levels of temporary borrowing we held during the year.

RESOLVED – that:-

- a) The performance against the Prudential Indicators be noted;
and
- b) That the contents of the report be noted.

AU18 Report to those Charged with Governance 2018/2019

The Committee received the External Audit Report presented by Grant Thornton which summarised the key findings arising from the Council's audit work in relation to the year end 31 March 2019, financial statement and the work undertaken to support Grant Thornton.

Grant Thornton informed members that work was progressing well on the Audit with good support from the Finance Team with focus being on financial statement, conclusions on Value for Money and statutory duties. The majority of the work had been completed but due to the tight deadlines some aspects remained unfinished but the Team were working hard to meet the 31 July deadline and it was anticipated that the audit report opinion would be unmodified.

Work that had been undertaken included focussing on big risks and ensuring controls were in place, pension liability, land a buildings, investments and assets, debtor and creditor figures and IT systems.

During the debate some Members asked if Grant Thornton would expect to find any issues with the Statement of Accounts prior to them being completed on 31 July 2019 and if anything different would be done next year.

Grant Thornton explained that it would depend on what happened in the period up to 31 Jul and that the Chair had delegated authority to sign off any changes. The Finance Manager explained to Members that within the Statement of Account report it was asked for delegated authority for the Assistant Director: Finance & Human Resources to make any changes to the Statement of Accounts and report back any material changes to the Committee prior to the deadline. With regards to the work being undertaken next year, Grant Thornton would change how their teams would be deployed as there would be additional requirements.

RESOLVED – that the report be noted.

AU19 Audited Annual Statement of Accounts 2018/19

The Committee received the report on the 2018/19 Statement of Accounts which provided Members with an update on the audit work being undertaken by Grant Thornton who were currently in the process of finalising the accounts. Delegated authority was sought for the Assistant Director: Finance & HR (Chief Financial Officer) to make any final changes required prior to publication. It was anticipated that an unqualified audit opinion would be published and that there would be no changes to the balanced position.

RESOLVED – that

- a) the 2018/19 Statement of Accounts appended to the report be approved; and**

- b) **delegated authority to the Assistant Director: Finance & HR to make any final changes required to the Statement of Accounts prior to publication be granted.**

AU20 Publication of Information on Councillors who Traded with the Council during 2018/19

The Committee received the report on information that was due to be published on Councillors who traded with the Council during 2018/19. The information had been collected as part of the final accounts process to provide better transparency, and was in addition to the declarations of interest.

The information provided details of the 2018/19 year's value and a description of any payments made by the Council to any businesses/companies where that Member had an interest. This information would be readily accessible by the public and demonstrated the Council's co-operative commitment to openness.

RESOLVED that the contents of the report be noted together with the information that will be published on the Council's website.

AU21 Strategic Risk Register Update

The Committee received the update report on the Strategic Risk Register. The Register enabled the Council to meet its statutory requirements and to identify and manage substantive issues which could impact negatively on the delivery of the Council's priorities and was presented to Cabinet in February as part of the council's Service and Financial Planning 2019/20-2021/22. Since approval of the budget, minor amendments had been made to children and adult safeguarding together with partnership safeguarding arrangements and progress with the independent inquiry in to child sexual exploitation (CSE). Senior Management Team (SMT) review the Register twice yearly to ensure appropriate management of these risks with the next review, six month performance monitoring, due to take place after the summer.

RESOLVED – that the report be noted.

AU22 2019/20 - Internal Audit Activity Update Report

The Committee received an update on Internal Audit between 1 May 2019 and 30 June 2019 and the progress made against the 2019/20 Internal Audit Plan, together with an update on recent work undertaken by Internal Audit.

Information included within the report would be fed into the Internal Audit Annual Report issued at year end. To determine the overall grading each report was given a risk rating of high, medium or low. During the reporting period there had been 4% high risk, 39% medium risk and 57% low risk reports. There was some follow up work required on Direct Payments Children & Adults which would be reported to the next meeting of the Committee. Discharge from Hospital had moved from amber to yellow.

During the discussion some Members asked if there was no improvement with Direct Payments if a representative from the Team could attend the Audit Committee. The Principal Audit informed Members that the Assistant Director: Customer & Neighbourhood Services was working on an action plan with the FCM team to address outstanding issues, but if the report remained Amber then the Assistant Director could be asked to attend.

RESOLVED – that the report be noted.

AU23 Exclusion of the Press and Public

The Chair announced the exclusion of the Press and Public from the meeting for the next item of business on the grounds that it may involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

AU24 Capital Receipts

The Committee received a verbal update on capital receipts; including progress on the programme of disposals and projected disposals. It was noted that every effort had been made and continued to be made to ensure the timing was right for each disposal.

The meeting ended at 6.41 pm

Chairman:

Date: Tuesday, 1 October 2019