

## **AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in Meeting Room 4, The Arc, Clowne, on Tuesday 20<sup>th</sup> May 2014 at 1400 hours.

### **PRESENT:-**

Members: - Councillors J.A. Clifton, S.W. Fritchley, D. McGregor, K. Reid and A.F. Tomlinson.

Cooptee Member: - J. Yates.

Officers: - B. Mason (Executive Director – Operations) and A. Bluff (Governance Officer).

J. Yates in the Chair

### **1090. APOLOGY**

An apology for absence was received from Councillor E. Watts.

### **1091. URGENT ITEMS OF BUSINESS**

There were no urgent items of business to consider.

### **1092. DECLARATIONS OF INTEREST**

There were no declarations of interest made.

### **1093. MINUTES OF A MEETING HELD ON 4<sup>TH</sup> FEBRUARY 2014**

Moved by Councillor S.W. Fritchley, seconded by Councillor J. Clifton

**RESOLVED** that the minutes of an Audit Committee meeting held on 4<sup>th</sup> February 2014 be approved as a true record.

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### **1094. REPORT OF THE DIRECTOR OF CORPORATE RESOURCES (NOW EXECUTIVE DIRECTOR – OPERATIONS) ANNUAL GOVERNANCE STATEMENT 2013/14**

Members considered a report of the Executive Director – Operations in relation to the conclusions and content of the draft Annual Governance Statement which would be incorporated within the Council's Statement of Accounts for 2013/14.

The draft Annual Governance Statement would also be presented to the Strategic Alliance Management Team and Members were asked to note that the final version of the Statement would be presented to Audit Committee on 23rd June 2014 when Committee would be required to formally approve the Statement as part of the Statement of Accounts.

To assist Committee in making a decision regarding the appropriateness of the draft Annual Governance Statement, a number of factors needed to be taken into account and these were set out in detail in the report.

In particular, Committee's attention was drawn to the conclusion reached by Officers concerning the review of the 'Effectiveness of the Council's Internal Control Arrangements';

*"On the basis of the review of the effectiveness of the Governance Framework that has been undertaken by officers and scrutinised by the Audit Committee, it has been concluded that the arrangements have improved significantly over the last two years and can be regarded as fit for purpose being in accordance with both the Council's own governance framework and with the principles as set out within the CIPFA/SOLACE framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in this section of the Governance Statement. While significant improvement has been secured over the last two financial years the Council is aware of the importance of sustaining this improvement."*

If Audit Committee agreed with this conclusion, this would represent a significant improvement over the position at the end of the 2011/12 financial year and in the Council's financial governance arrangements.

In the view of the Chief Financial Officer, Audit Committee had played a key role in securing this improvement by helping ensure that necessary changes had been actioned.

Audit Committee also needed to consider and review the Local Code of Corporate Governance, which was set out in Appendix 2 to the report. On the basis of the limited changes that had been made from the previous version it was suggested that Committee consider and approve the Code and a recommendation be made that the Member Development Working Group Programme incorporate a training/awareness session concerning Good Governance.

Members asked questions and a short discussion took place.

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The Executive Director – Operations further advised the meeting that internal audit were still undertaking some verification work in relation to gas servicing and contractual arrangements. Gas servicing was now being reported on a quarterly basis as part of the Council's Performance Management Framework with the data showing that 100% of services are now being carried out on an annual basis..

The Executive Director commented that the improvements in internal control arrangements were attributal to the hard work of staff and to the engagement of the Directors and senior management which had been promoted by the Audit Committee. The Chair stated that he wished it to be noted that the significant improvements made as detailed in the report was also a reflection on the Executive Director – Operations management of the position.

Moved by Councillor K. Reid, seconded by Councillor D. McGregor  
**RESOLVED** that

- (1) the Committee having reviewed the Council's governance arrangements consider they are fit for purpose,
- (2) the recommended amended Code of Corporate Governance as set out in Appendix 2 be approved,
- (3) a training session be incorporated into the Member Development Working Group Programme setting out the principles associated with good governance.

(Executive Director – Operations/Governance Manager)

### **1095. REPORT OF THE EXECUTIVE DIRECTOR – OPERATIONS KEY ISSUES OF FINANCIAL GOVERNANCE**

Members considered a report of the Executive Director - Operations in respect of Key Issues of Financial Governance.

The report provided information to allow Committee to consider the progress that had been secured in improving the Council's financial governance arrangements.

Appendix 1 to the report set out four issues which had been agreed by previous meetings of Audit Committee to constitute the main Strategic Issues of Financial Government. These where;

1. Take effective steps to balance the Council's budget over the period of the Medium Term Financial Plan,
2. To secure further improvements in financial reporting with respect to the Council's published accounts and in the Council's financial management arrangements,
3. To improve the Council's Internal Control arrangements, and to strengthen the culture of effective management and budgetary control across the authority,
4. To ensure that issues around the Council's contractual arrangements are resolved and that good quality arrangements remain in place.

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While the evidence provided within the report indicated that the Council's financial governance arrangements were continuing to improve, some key internal audit reports were awaited while the conclusion of External Audit on the Statement of Accounts 2013/14, would not be provided until September 2014.

Discussion took place and Members raised questions in relation to the following items;

- the shortfall (savings target) of £447k in the current financial year,
- the Growth Strategy
- NNDR,
- the Firmstep software and the upgraded financial Ledger,
- improvements necessary at Pleasley Vale Mills,
- Revenue Support Grant,
- the Local Plan
- rateable values

The Executive Director – Operations confirmed that it was anticipated that Morrison's would complete the final sign off for the Sherwood Lodge site in June and Councillor Tomlinson confirmed that the Authority had now received the Landsbanki money.

A further discussion took place in relation to income generation and the need to look at the management of section 106 agreements.

Moved by Councillor K. Reid, seconded by Councillor D. McGregor

**RESOLVED** that (1) the report be received.

The meeting concluded at 1430 hours.