

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in Meeting Room 4, The Arc, Clowne, on Monday 23rd June 2014 at 1000 hours.

PRESENT:-

Members: - Councillors J.A. Clifton (from during Minute Number 0118), S.W. Fritchley, D. McGregor, K. Reid, A.F. Tomlinson and E. Watts.

Cooptee Member: - J. Yates.

Officers: - B. Mason (Executive Director of Operations), J. Williams (Interim Head of Internal Audit Consortium) and A. Bluff (Governance Officer).

J. Yates in the Chair

0111. APOLOGIES

There were no apologies for absence.

0112. URGENT ITEMS OF BUSINESS

The Chair advised the meeting of an urgent item of business to be considered at the request of Councillor Fritchley that all of the Streetscene service be audited in light of Derbyshire County Council reducing its expenditure on grass cutting etc.

Councillor McGregor advised the meeting that Sustainable Communities Scrutiny Committee would be starting a Review of the grounds maintenance service which was part of Streetscene and it was noted that a Review of the refuse collection service had been carried out last year. The Executive Director – Operations suggested that the Interim Head of Internal Audit present reports from previous audits of the Streetscene Service to the next Audit Committee meeting before a decision was made. This was agreed by the Committee as being an appropriate way forward.

0113. DECLARATIONS OF INTEREST

There were no declarations of interest made.

0114. MINUTES – 4th FEBRUARY 2014

Moved by Councillor D. McGregor, seconded by Councillor K. Reid,
RESOLVED that the minutes of an Audit Committee meeting held on 4th February 2014 be approved as a correct record.

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0115. **REPORT OF THE INTERNAL AUDIT CONSORTIUM; INTERNAL AUDIT CONSORTIUM 2013/14 ANNUAL REPORT TO BOLSOVER DISTRICT COUNCIL**

The Interim Head of the Internal Audit Consortium presented the Annual Report for the Internal Audit Consortium in respect of Bolsover District Council for 2013/14.

The report helped ensure that Members were aware of the work undertaken by Internal Audit during 2013/14 and helped inform their opinion on the adequacy and effectiveness of the systems in place at Bolsover District Council.

Appendix 1 to the report detailed audit reports issued in respect of the 2013/14 Internal Audit Plan and the overall opinion on the reliability of the internal controls. An additional column showed the opinion given at the last audit for information.

Appendix 2 to the report provided comparison of planned audits to audits completed in 2013/14. Overall 95% of planned audits were completed during the year.

Appendix 3 to the report showed progress against the Improvement Plan with respect to the 2013 CIPFA standards.

The internal control issues arising from audits completed in the year had been reported to the Executive Director - Operations for consideration during the preparation of the Annual Governance Statement. There had been no unsatisfactory or unsound reports issued in 2013/14 and no specific control issues identified for inclusion within the Annual Governance Statement.

Members were asked to note that the cost per audit day for 2014/15 was calculated on the basis that a Head and Deputy Head of the Internal Audit Consortium had been budgeted for. In fact, the Consortium was currently operating with only an Interim Head which should lead to a reduction in the cost per audit day.

Members raised questions and discussion took place.

Moved by Councillor D. McGregor, seconded by Councillor E. Watts
RESOLVED that the report be noted.

0116. **REPORT OF THE INTERNAL AUDIT CONSORTIUM SUMMARY OF PROGRESS ON THE 2013/14 AND 2014/15 INTERNAL AUDIT PLAN**

The Interim Head of the Internal Audit Consortium presented a report on progress made by the Audit Consortium, during the period 18th January 2014 to 6th June 2014, in relation to the 2013/14 and 2014/15 Annual Internal Audit Plans. The report included an appendix which summarised Internal Audit Reports issued during the period and work in progress. It also provided for each report a summary of the Overall Audit Opinion on the audit and the number of recommendations made/agreed where a full response had been received.

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The majority of agreed work in relation to the 2013/14 Internal Audit Plan had now been completed and reported. The completion of one audit (Environmental Health - miscellaneous income) had been delayed and the results of the audit would be reported at the next Audit Committee meeting.

In addition, there was one low priority audit (Anti Social Behaviour/Community Safety) that had been deferred. This area had been partially covered by the review of CCTV that was undertaken earlier in the year as part of the data protection audit.

Work had commenced on audits included in the 2014/15 internal audit plan and the following audits were currently in progress;

- VAT
- Licensing (Environmental Health)
- Clowne Sports Centre
- Freedom of Information
- Gas Servicing
- Section 106

In response to Members questions, the Interim Head of the Internal Audit Consortium advised the meeting that internal audit had revisited gas servicing, kept a constant watch on it and it was now hitting 100% of properties in timescales. Members queried when the Section 106 internal audit review would be completed and asked what findings were coming out of it. The Interim Head of the Internal Audit Consortium stated that the review should be complete and the findings ready to report to the next Audit Committee in September. . .

Moved by Councillor K. Reid, seconded by Councillor D. McGregor
RESOLVED that the report be noted.

0117. REPORT OF THE EXECUTIVE DIRECTOR – OPERATIONS ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

The Executive Director – Operations presented a report on the annual review by the Chief Financial Officer of the effectiveness of the Council's Internal Audit arrangements. Members were asked to note that paragraph 1.4 in the report should state 97% and not 100%.

The Chief Financial Officer in reviewing the effectiveness of the Council's Internal Audit Service during 2013/14 was satisfied that an effective service had been provided and his overall conclusion regarding the service was as follows:

“It is my opinion that the Council's Internal Audit section which is provided as a Joint Service between Chesterfield, Bolsover and North East Derbyshire carries out this function competently and to a high standard. The Consortium provides an effective service upon which I can place reliance.”

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The justification for the statement was set out in the report and Committee were asked to consider whether the conclusion by the Chief Financial Officer as stated above represented a reasonable evaluation of the position in respect of the Internal Audit service and its effectiveness as part of the Council's Governance arrangements.

Councillor McGregor commented that improvements made were recognised by Members and that staff had undertaken some excellent work. Councillor Reid and Watts added that they wished to congratulate and thank staff on the work they had done.

Moved by Councillor D. McGregor, seconded by Councillor K. Reid
RESOLVED that the report be received.

0118. DRAFT STATEMENT OF ACCOUNTS INCLUDING ANNUAL GOVERNANCE STATEMENT 2013/14

The Executive Director – Operations presented a report in relation to the draft Statement of Accounts which included the Annual Governance Statement 2013/14.

The Executive Director – Operations noted his thanks to the Chief Accountant and Accountancy staff who had prepared the draft Statement of Accounts well within the necessary timescales. It was noted that the Assistant Director would be moving to another authority in the near future. The Committee expressed their appreciation for his contribution in improving the quality of the Council's financial reporting and internal control arrangements.

Members were reminded that an amendment to the Accounts and Audit Regulations had significantly changed the process of preparing local authority accounts and Members would now only be requested to approve the annual accounts after the findings of the independent external audit were known. Accordingly, Members were asked to consider the draft Statement of Accounts before they were submitted for audit and to also note the provisional outturn position in respect of 2013/14 as set out within the introduction to the Accounts provided by the Chief Financial Officer.

At the end of June, the draft accounts would be signed off by the Chief Financial Officer with the audited accounts being brought back to the meeting of Audit Committee on the 22nd September 2014, for approval on behalf of the Council.

The Executive Director – Operations noted that it had been a 'golden' year for the Council in terms of the accounts/finances. As noted above the draft Statement of Accounts had been prepared early, savings had been achieved in full due to the efficiency grant, major changes had been introduced with regard to business rates and the standards of financial governance had improved significantly. A lot of work had been carried out and Audit Committee had supported staff and called Directors to account where necessary.

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The Leader commented that the Council had come from a dark place to a good place and it was a credit to the Chief Accountant and her team and the Council could be proud of the achievement.

The Chair and Councillor McGregor agreed with the Leader's comments.

Councillor Clifton entered the meeting at this point.

A discussion took place around the Council's housing stock and loss of rent due to vacant flats in sheltered and related accommodation. The Executive Director – Operations agreed to look at this and report back to the next Audit Committee meeting.

Moved by Councillor D. McGregor, seconded by Councillor E. Watts

RESOLVED that (1) the Executive Director - Operations in his capacity as Chief Financial Officer signs off the draft 2013/14 accounts on behalf of the Council,

(2) the Audited Statement of Accounts 2013/14 is brought to Audit Committee at its meeting on 22nd September 2014 for approval on behalf of the Council.

(Executive Director – Operations/Governance Manager)

The meeting concluded at 1047 hours.