

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Tuesday 25th July 2017 at 1400 hours.

PRESENT:-

Members:-

Councillor D. McGregor in the Chair

Councillors J.A. Clifton, M. Dooley, S.W. Fritchley and K. Reid

External Audit – KPMG:-

Mr. T. Crawley

Officers:-

D. Clarke (Assistant Director – Finance and Revenues & Benefits), S. Brunt (Assistant Director – Streetscene), S. Barker (Assistant Director – HR and Payroll), J. Arnold (Assistant Director – Planning and Environmental Health), S. Gillott (Environmental Health Manager), J. Williams (Internal Audit Manager) and A. Brownsword (Senior Governance Officer)

0129. APOLOGIES

Apologies for absence were received from Councillor A.M. Syrett and Mrs. R. Jaffray (Independent Member)

0130. URGENT ITEMS OF BUSINESS

There were no urgent items of business.

0131. DECLARATIONS OF INTEREST

There were no declarations of interest.

0132. MINUTES – 16TH MAY 2017

Moved by Councillor M. Dooley and seconded by Councillor D. McGregor
RESOLVED that minutes of a meeting of the Audit Committee held on 16th May 2017 be approved as a true and correct record.

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0133. REPORT OF THOSE CHARGED WITH GOVERNANCE ISA260

Committee considered a report of the External Auditor, KPMG, regarding the ISA 260 report 2016/17, in relation to the Council's financial statements for the year ended 31st March 2017.

Committee were also requested to note and consider the Management Representation letter attached as an appendix to the report which the Chair of the Committee and the Chief Financial Officer would be required to sign on behalf of the Council.

KPMG had received complete draft accounts on ahead of the DCLG deadline and noted that these were of the same high standard as last year.

The report represented a good outcome for the Authority with no material adjustments identified. The External Auditors anticipated giving an unqualified opinion in respect of the accounts by 31st July 2017.

In relation to Value for Money, KPMG had concluded that the Authority had made proper arrangements to ensure it had taken properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Members thanked KPMG and the Finance team for their work in producing and auditing the Council's Statement of Accounts 2016/17 and noted that it was a pleasing report.

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

RESOLVED that (1) the report of the External Auditors, KPMG, be noted,

(2) the Letter of Representation appended to the report be approved and Audit Committee authorises the Chair of Audit Committee and the Chief Financial Officer sign the Letter on behalf of the Council.

(Councillor D. McGregor (Chairman)/Chief Financial Officer)

0134. CORPORATE PLAN TARGETS PERFORMANCE UPDATE – APRIL TO JUNE 2017 (q1 – 2017/18)

This item was withdrawn.

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0135. BOLSOVER DISTRICT COUNCIL - STATEMENT OF ACCOUNTS 2016/17

Committee considered a report which sought approval of the Council's audited Statement of Accounts for 2016/17.

The outturn position for the Council's accounts had previously been reported to the Executive and would be discussed later on the agenda. The work undertaken by KPMG on the accounts did not require the Council to make any amendments in respect of the overall outturn position on the General Fund Revenue Account, Housing Revenue Account or the Capital Programme.

The Assistant Director – Finance and Revenues & Benefits thanked the Finance Team for preparing the accounts and the Auditors (KPMG), for the way in which the audit had been conducted.

It was noted that should any minor amendments to the accounts be identified prior to 31st July 2017, these would be agreed by the Chief Financial Officer, in consultation with the Chair or Vice Chair of the Audit Committee. Any such changes would only be made with the agreement of KPMG and would be reported back to the next meeting of Audit Committee.

Moved by Councillor S.W. Fritchley and seconded by Councillor K. Reid

RESOLVED that (1) the audited Statement of Accounts in respect of 2016/17 be approved,

(2) delegated powers be granted to the Chief Financial Officer in consultation with the Chair or Vice Chair of Audit Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors, KPMG, to ensure completion of the Statement of Accounts by 31st July 2017.

(Chief Financial Officer)

0136. MEDIUM TERM FINANCIAL PLAN – FINANCIAL OUTTURN 2016/17

Committee considered a report of the Assistant Director – Finance and Revenues & Benefits in relation to the Council's financial outturn for the 2016/17 financial year, which was considered by Executive on 26th June 2017.

The Council has closed its financial accounts for 2016/17 in line with the target date of 31st May 2017 which had been set to reflect the forthcoming change in the

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statutory deadline. The draft Statement of Accounts 2016/17 were now subject to the independent audit from the Council's external auditors, KPMG.

The report provided information on the outturn position in respect of the following:-

- General Fund Revenue Account
- Housing Revenue Account
- The Council's Capital Investment Programme
- Treasury Management Activities

The Assistant Director – Finance and Revenues & Benefits noted that there had been a £1.4m underspend in the financial year due to unforeseen events which should not be relied upon for future years. This money had been added to the Transformation Reserve.

Members discussed whether under-spends in relation to service area budgets had any impact on the performance of service levels or standards. The Assistant Director – Finance and Revenues & Benefits advised that service performance was measured against agreed service plans and was regularly monitored. Members also raised concerns regarding delays in recruitment.

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

0137. QUARTER 1 – 2017/18 FINANCIAL MONITORING

This item was deferred to the next meeting of the Audit Committee.

0138. STRATEGIC RISK REGISTER AND PARTNERSHIP ARRANGEMENTS

Committee considered a report which updated Members on the Council's Strategic Risk Register and Partnership Working. The Strategic Risk Register would be considered by the Executive at its meeting on 11th September 2016.

One of the key purposes of the report was to set out the risks that had been identified and to encourage both Members and Officers to actively consider whether the Strategic Risk Register and supporting Service Risk Registers appropriately covered all of the issues facing the Council.

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The section of the report which related to Partnerships, served to highlight the extent of those working arrangements, together with the mechanisms which were in place for their successful management.

Moved by Councillor K. Reid and seconded by Councillor M. Dooley

RESOLVED that the report be noted.

0139. KEY ISSUES OF FINANCIAL GOVERNANCE

Committee considered a report which provided an update to Members concerning the key issues of financial governance where further progress or ongoing monitoring was required.

The Strategic Issues, which were outlined in the report, were consistent with the conclusions of the External Auditor's (KPMG) report on the outcome of the 2016/17 Audit

The key messages from KPMG's report were that they were in a position to issue an unqualified opinion on the Statement of Accounts by the 31st July 2017 due to the quality of the Accounts and also their conclusion that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Moved by Councillor D. McGregor and seconded by Councillor M. Dooley

RESOLVED that (1) the report be noted.

0140. COMMITTEE WORK PROGRAMME 2017/18

The Assistant Director – Finance and Revenues & Benefits presented the report which gave details of the proposed work programme for the Audit Committee in 2017/18.

Moved by Councillor S.W. Fritchley and seconded by Councillor D. McGregor

RESOLVED that the Audit Committee Work Programme be endorsed.

0141. THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Moved by Councillor D. McGregor and seconded by Councillor M.J. Dooley

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following

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items of business on the grounds that they involve the likely disclosure of exempt information as defined in the stated Paragraph 3 of Part 1 of Schedule 12A of the Act and it is not in the public interest for that to be revealed.

0142. IMPLEMENTATION SCHEDULES EXEMPT - PARAGRAPH 3

1. Health and Safety

The Assistant Director – HR and Payroll presented the implementation schedule and noted that the department was well on its way to achieving the actions. Progress would be monitored.

2. Licensing Service

The Assistant Director – Planning and Environmental Health presented the implementation schedule and noted that the recommendations had been taken very seriously and all the actions were now complete. Progress would be monitored.

The Environmental Health Manager explained that some of the problems had occurred when two separate systems had been migrated to a third and the situation had now been rectified.

A discussion took place regarding recruitment problems.

3. BDC Transport

The Assistant Director – Streetscene presented the implementation schedule and noted that most items were now complete. The recommendations had been disappointing, but had not resulted in a reduction of the quality of service. Progress would be monitored.

Moved by Councillor D. McGregor and seconded by Councillor M. Dooley

RESOLVED that progress against the implementation schedules be noted and monitored.

The meeting concluded at 1525 hours.