

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

30TH MARCH 2017 AT 6.00 P.M.

PRESENT: Councillors M. J. A. Webb (Chairman), S. R. Colella (Vice-Chairman), R. L. Dent, M. Glass, S. R. Peters, C. J. Spencer, P.L. Thomas and M. Thompson

Parish Councillor: Councillor C. R. Scurrall

Grant Thornton Representatives: Mr R. Percival and Mr. N. Preece

Observers: Councillor B. T. Cooper

Officers: Ms. J. Pickering, Mrs. C. Felton, Mr. A. Bromage and Ms. R. Cole

42/16 **ELECTION OF CHAIRMAN**

The following Councillors were proposed as Chairman for the remainder of the Municipal year:

Councillor S. R. Colella
Councillor M. J. A. Webb

Following a show of hands it was

RESOLVED that Councillor M. J. A. Webb be elected Chairman of the Committee for the remainder of the Municipal year.

43/16 **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies were received on behalf of Councillors J. M. L. A. Griffiths and P. M. McDonald, with Councillor M. Glass attending as a substitute for Councillor Griffiths.

44/16 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest nor of any whipping arrangements.

45/16 **MINUTES**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 8th December 2017 were submitted.

Councillor P. L. Thomas asked that it be noted that in relation to Minute 40/16, it had not been minuted at the Meeting of 15th September that a detailed written update be provided in respect of the Corporate Risk Register.

RESOLVED that the minutes of the meeting of the Audit, Standards and Governance Committee held on 8th December 2017 be approved as a correct record.

46/16

STANDARDS REGIME - MONITORING OFFICERS' REPORT

The Head of Legal, Equalities and Democratic Services presented the Monitoring Officer's report and in doing so highlighted the following points:

- The ongoing Member to Member complaint (District Members) had now been withdrawn;
- Personal Health and Safety Training for Members in February had been well received but low numbers had attended. Members should speak to Group Leaders about any training requirements and officers would try to arrange the relevant training;
- Training had been provided to Wythall Parish Council on dispensations and this training could be rolled out to other Parish Councils;
- Work had been undertaken by the Monitoring Officer with Stoke Parish Council and Catshill and North Marlbrook Parish Council on their Governance arrangements.

Following discussions it was

RESOLVED that the report be noted.

47/16

EXTERNAL AUDIT - PROGRESS REPORT / ACTION PLAN UPDATE REPORT

The representatives from Grant Thornton presented the external auditor's Committee Update for March 2017 which updated Members on progress on the Audit and general issues which may impact on the Council in the future.

A number of points were highlighted:

- The revised arrangements following the closure of the Audit Commission.
- The Local Government Pension Scheme and the proposed Pooling arrangements. This would not impact on this Council organisationally but would be dealt with by Worcestershire County Council

RESOLVED that the Grant Thornton Update Report March 2017 be noted.

48/16

EXTERNAL AUDIT - CERTIFICATION WORK REPORT 2015/16

Members considered the Grant Thornton Certification Work Report 2015/16. Members' attention was drawn to the details of the testing which had been carried out which had revealed the error level was consistent with other Councils. There were no significant issues which required highlighting.

RESOLVED that the Certification Letter 2015/16 be noted.

49/16

EXTERNAL AUDIT - AUDITING STANDARDS 2016/17

Representatives of Grant Thornton updated the Committee on auditing standards and the associated processes for proactive communication with the Audit, Standards and Governance Committee. It was noted that the external auditors needed to be satisfied that the Council's Cabinet, supported by the Council's management and the Audit Board were meeting responsibilities in respect of: Fraud, law and regulation, going concerns, related parties and accounting for estimates.

The appendix to the report contained a series of questions together with management responses. In relation to Table 2 Law and Regulation it was confirmed that formal officer meetings were held on a regular basis between the Audit Team and the Finance Team to identify and evaluate any potential litigation claims.

RESOLVED that the Grant Thornton Auditing Standards report and management responses be noted.

50/16

EXTERNAL AUDIT - AUDIT PLAN 2016/17

The representatives from Grant Thornton presented the Grant Thornton Audit Plan 2016/17. The Plan set out work that Grant Thornton proposed to undertake in relation to the Audit of the financial accounts for 2016/17 and risks that may require additional review and consideration.

Areas highlighted included:

- Key challenges which included delivering the Council Plan 2017-2020, the Local Plan, financial planning and working with partners;
- Materiality for audit planning purposes had been determined to be £839,000 (2% of gross expenditure);
- Areas of Significant risks which required special audit consideration and how these were selected;

Following presentation of the report Members discussed a number of areas in further detail including:

- The Shared Services arrangements and any impact on these of the West Midlands Combined Authority;
- Corporate Risk Register which would be considered at the next meeting;
- The importance of the Efficiency Plan which would be monitored by the Council and by Grant Thornton;
- It was noted the Council's Accounts would need to be closed at an earlier date from 2017/18 and in preparation the 2016/17 accounts were following the same timetable;

RESOLVED that the Audit Opinion Plan 2016/17 be noted and agreed.

51/16

INTERNAL AUDIT MONITORING REPORT

Mr A. Bromage, Head of Internal Audit Shared Service, presented the report. It was noted that the report provided an update on the actions and work carried out and gave a view of the audits which had been completed since the last meeting. There were 6 reports with assurance levels of moderate or above. Overall the Audit Plan was on track.

In relation to Appendix 4 to the report the planned follow up items and associated actions were noted.

Following presentation of the report a number of areas were raised by Members including:

- The potential use of the Council's Dashboard in monitoring audit performance;
- The ability to be flexible regarding the use of audit days over a 12 month period;
- The importance of staff following the use of Matrix procurement procedures;
- The comparative review of Insurance procedures at a number of Councils;
- Corporate Anti - Fraud Awareness and Strategy which was likely to be considered by Council in July;

RESOLVED that the Internal Audit Monitoring Report be noted.

52/16

INTERNAL AUDIT - AUDIT PLAN 2017/18

Members considered the Bromsgrove District Council Internal Audit Operational Plan for 2017/18 together with the key performance indicators for the Worcestershire Internal Audit Shared Service for 2017/18.

Mr. A. Bromage, Service Manager for Worcestershire Internal Audit Shared Service reported that the Plan was the same as the draft which had been considered by the Committee at its previous Meeting in December 2016.

RESOLVED:

- (a) that the Bromsgrove District Council Internal Audit Operational Plan for 2017/18 be approved; and
- (b) that the Key Performance Indicators for the Worcestershire Internal Audit Shared Service for 2017/18 be approved.

53/16

FINANCIAL SAVINGS MONITORING REPORT - APRIL TO DECEMBER 2016

The report of the Executive Director Finance and Resources showed the delivery of savings and additional income for the period April – December 2016.

Appendix 1 to the report showed that for April 2016 to December 2016 savings to budgets had been delivered. It was anticipated that all projected savings would be realised in line with the original estimates. In addition further savings/additional income had been made of £264k and details were included within the report. It was anticipated that these additional savings would realise £314k by the end of 2016/17.

There was a query regarding the clarification of the process in relation to the use of Section 106 funding and the monitoring of this. It was suggested that this could be a matter for the Overview and Scrutiny Finance And Budget Monitoring Group to consider. It was noted however that the Internal Audit team had looked at this process.

RESOLVED that the financial position for savings as set out in the report for the period April 2016 to December 2016 be noted.

54/16

RISK CHAMPION - UPDATE (COUNCILLOR PHIL THOMAS)

Councillor P. L. Thomas provided a written update which confirmed that Councillor Thomas had reviewed the Corporate Risk Register and discussed the contents with the relevant Heads of Service.

RESOLVED that the written update appended to the minutes in respect of the Corporate Risk Register be noted.

55/16

DRAFT AUDIT, STANDARDS AND GOVERNANCE COMMITTEE'S ANNUAL REPORT 2016/17

Members considered the draft Annual Report for the Audit, Standards and Governance Committee 2016/17.

RESOLVED that the Annual Report for the Audit, Standards and Governance Committee be approved.

56/16

WORK PROGRAMME

Members considered the Work Programme for the Committee.

RESOLVED that the Work Programme be noted.

The meeting closed at 7.15 p.m.

Chairman