

## SUMMARY OF DECISIONS

<b>Meeting:</b>	Audit Committee	
<b>Date:</b>	Tuesday, 11 June 2019	
<b>Place:</b>	Shimkent Room, Daneshill House, Danestrete	
<b>Members Present:</b>	Councillors:	Maureen McKay (Chair), John Gardner (Vice-Chair), Sandra Barr, Stephen Booth, Laurie Chester, David Cullen, Lizzy Kelly and Graham Lawrence. Independent Member: Mr Geoffrey Gibbs

<b>1</b>	<b>APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST</b>	<b>I Gourlay x2703</b>
	<p>There were no apologies for absence.</p> <p>There were no declarations on interest.</p>	
<b>2</b>	<b>ELECTION OF VICE-CHAIR</b>	<b>I Gourlay x2703</b>
	It was <b>RESOLVED</b> that Councillor John Gardner be elected as Vice-Chair of the Committee for the 2019/20 Municipal Year.	
<b>3</b>	<b>MINUTES - 19 MARCH 2019</b>	<b>I Gourlay x2703</b>
	It was <b>RESOLVED</b> that the Minutes of the Audit Committee meeting held on 19 March 2019 be approved as a correct record and signed by the Chair.	
<b>4</b>	<b>TERMS OF REFERENCE</b>	<b>I Gourlay x2703</b>
	It was <b>RESOLVED</b> that the Terms of Reference for the Committee, as approved at the Annual Council Meeting held on 22 May 2019, be noted.	

5	ACCOUNTS AND AUDIT TIMELINE 2018/19	N. Harris (E & Y)
	<p>In debating the fact that Ernst and Young had revised the timetable for the 2018/19 Accounts and Audit, with completion during September 2019 rather than by 31 July 2019, the Associate Partner (Ernst and Young) and the Assistant Director (Finance and Estates) replied to a series of Members' questions and comments as follows:</p> <ul style="list-style-type: none"> <li>• Ernst and Young would be “front loading” as much audit work as possible during the end of July/early August, so as not to run too close to the September 2019 Committee deadline for completion of the work;</li> <li>• The Council would still be able to publish its Accounts by the end of July 2019 (albeit with no audit opinion);</li> <li>• There was a strategic risk to the Council, although experience had shown that audits generally raised valuation issues rather than income/expenditure issues; there was potentially more risk in terms of SBC staffing/resourcing resilience in support of the audit;</li> <li>• The Ernst and Young audit team was now in place to deliver the audit by the September 2019 deadline, and a Project Plan was to be submitted to the Assistant Director (Finance and Estates); and</li> <li>• There was a discussion on the sustainability and future challenges facing public sector audit; the Assistant Director (Finance and Estates) would reflect the Council's views in her representation to the Society of Local Authority Treasurers, and it was confirmed that Ernst and Young were engaging proactively in the future reviews into the audit market.</li> </ul> <p>It was <b>RESOLVED</b> that the revised Accounts and Audit Timetable for 2018/19, as set out in the letter from Ernst and Young dated 26 April 2019, be noted.</p>	
6	ANNUAL AUDIT FEE LETTER 2019/20	N Harris (E & Y)
	<p>In response to a Member's question regarding potential additional audit fees for work associated with items such as group accounts or a review of the Queensway Scheme, the Assistant Director (Finance and Estates) advised that she would be</p>	

	<p>writing to Public Sector Audit Appointments (PSAA) seeking clarification of precisely what audit work was included in the Annual Audit Fee.</p> <p>For the specific benefit of new Members of the Committee, the Assistant Director (Finance and Estates) undertook to provide them with a glossary of relevant acronyms and their definitions.</p> <p>It was <b>RESOLVED</b> that the Annual Audit Fee Letter for 2019/20 from Ernst and Young dated 29 April 2019 be noted.</p>	
<b>7</b>	<b>2018/19 ANNUAL FRAUD REPORT AND PROGRESS WITH DELIVERY OF 2019/20 ANTI-FRAUD PLAN</b>	<b>N Jennings (SAFS)</b>
	<p>In response to a series of questions, the Shared Anti-Fraud Manager responded as follows:</p> <ul style="list-style-type: none"> <li>• In relation to Key Performance Indicator 2 (Identified value of fraud), this target was based on the history and experience of previous years, together with comparative information with work carried out for other Councils in the partnership;</li> <li>• The management information for 2019/20 was not as detailed as would normally be the case, primarily due to a change in software supplier. However, this situation would be resolved by the end of June 2019, and so the next SAFS progress report would provide the level of detail required;</li> <li>• Publicity on successful prosecutions was provided to the local Press and published on the Council's website. The SAFS Manager undertook to include details of how many prosecutions were reported in the local Press as part of his next and future progress reports.</li> </ul> <p>It was <b>RESOLVED</b>:</p> <ol style="list-style-type: none"> <li>1. That the activity undertaken by the Shared Anti-Fraud Service to deliver the 2018/19 Anti-Fraud Plan for the Council, as set out in the report, be noted.</li> <li>2. That the other anti-fraud activity undertaken to protect the Council, as set out in the report, be noted.</li> </ol>	

	3. That the progress of the Shared Anti-Fraud Service on delivering the 2019/20 Anti-Fraud Plan, as set out in the report, be noted.	
<b>8</b>	<b>AUDIT PLAN 2019/20 - PROGRESS REPORT</b>	<b>S Martin (SIAS)</b>
	<p>It was <b>RESOLVED</b>:</p> <ol style="list-style-type: none"> <li>1. That the Internal Audit progress report be noted.</li> <li>2. That the status of Critical and High Priority Audit Recommendations be noted.</li> </ol>	
<b>9</b>	<b>ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT ANNUAL REPORT 2018/19</b>	<b>S Martin (SIAS)</b>
	<p>It was <b>RESOLVED</b>:</p> <ol style="list-style-type: none"> <li>1. That the Annual Assurance Statement and Internal Audit Report be noted.</li> <li>2. That the results of the self-assessment required by the Public Sector Internal Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP) be noted.</li> <li>3. That the SIAS Audit Charter 2019/20 be accepted.</li> <li>4. That management assurance be given that the scope and resources for internal audit were not subject to inappropriate limitations in 2018/19.</li> </ol>	

<b>10</b>	<b>ANNUAL GOVERNANCE STATEMENT 2018/19</b>	<b>S Brightwell X2966</b>
	<p>In reply to a Members' comment, Officers confirmed that the questions posed to Assistant Directors as part of the process in developing the Annual Governance Statement (in accordance with the CIPFA/SOLACE Framework) were challenging and robust.</p> <p>It was <b>RESOLVED</b> that the Council's Annual Governance Statement 2018/19, as attached at Appendix One to the report, be recommended for approval by the Statement of Accounts Committee.</p>	
<b>11</b>	<b>URGENT PART 1 BUSINESS</b>	
	None.	
<b>12</b>	<b>EXCLUSION OF PUBLIC AND PRESS</b>	
	<p>It was <b>RESOLVED</b> that:</p> <ol style="list-style-type: none"> <li>1. Under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.</li> <li>2. Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.</li> </ol>	

<b>13</b>	<b>STRATEGIC RISK REGISTER</b>	<b>S Kingsley-Smith x 2390</b>
	<p>It was <b>RESOLVED</b>:</p> <ol style="list-style-type: none"> <li>1. That the latest Strategic Risk Register (set out in Appendices A1 – A3 to the report) be noted.</li> <li>2. That developments on risk management issues be noted.</li> </ol>	
<b>14</b>	<b>URGENT PART II BUSINESS</b>	
	None.	
<b>15</b>	<b>PART II MINUTES - AUDIT COMMITTEE - 19 MARCH 2019</b>	<b>I Gourlay x2703</b>
	It was <b>RESOLVED</b> that the Part II Minutes of the Audit Committee meeting held on 19 March 2019 be approved as a correct record and signed by the Chair.	