

AUDIT AND STANDARDS COMMITTEE

22 September 2016

7.00 pm – 9.17 pm

Council Chamber, Ebley Mill, Stroud

Minutes

Membership

Councillor Nigel Studdert-Kennedy (Chair)	P	Councillor Keith Pearson	A
Councillor Rachel Curley (Vice-Chair)	P	Councillor Mark Reeves	P
Councillor Martin Baxendale	P	Councillor Tom Williams	P
Councillor Stephen Davies	P	Councillor Penny Wride	P
Councillor Colin Fryer	P		

A = Absent P = Present

Officers in attendance

Accountancy Manager	Head of Audit Risk Assurance
Interim Section 151 Officer	Group Manager, Audit Risk Assurance
Principal Accountant	Legal Services Manager
Senior Accountancy Officer	Democratic Services Officer

Others in attendance

Darren Gilbert and Matthew Arthur both from KPMG

AC.012

APOLOGIES

Apologies were received from Councillor Keith Pearson.

AC.013

DECLARATIONS OF INTEREST

There were none.

AC.014

MINUTES

A query was raised regarding the level of detail in the minutes relating to a question on Brimscombe Port. The Head of Audit Risk Assurance reassured Members that Brimscombe Port is listed on the Audit Plan for 2017/18.

RESOLVED

That the Minutes of the meeting held on 5 July 2016, are approved as a correct record.

AC.015

PUBLIC QUESTION TIME

There were none.

The Chair amended the order of the Agenda to enable the following report listed as Agenda Item 10 to be considered next and Agenda Item 5 to be considered at the end of the Agenda.

AC.016 **STANDARDS REVIEW: CODE OF CONDUCT AND INVESTIGATIONS PROCEDURE**

The Legal Services Manager responded to questions raised by Members about the report outlining the standards issues arising during 2015/16.

- RESOLVED**
1. **The Code of Conduct Investigations Procedure be amended to:**
 - a. **allow informal resolution of complaints which would otherwise be referred for investigation, by the Monitoring Officer subject to prior consultation with an independent member; and**
 - b. **require Town and Parish Councils to attempt to resolve complaints about their own members (particularly disputes between members) themselves before the complaint is referred to the Monitoring Officer.**
 2. **The existing membership of the Standards Panel be confirmed subject to Panel meetings having at least one independent member and a district councillor present.**

AC.017 **REPORT TO THOSE CHARGED WITH GOVERNANCE**

Darren Gilbert and Matthew Arthur from KPMG presented the report which summarised the key findings of the audit work for 2015/16 and the value for money audit. During questions, Members were concerned with issues surrounding

- invoices and purchase orders, invoices being paid without a purchase order and before being signed off,
- funding from the HCA relating to Brimscombe Port.
- Procurement update

Councillor Davies requested it was noted in the minutes that he was disappointed procurement training had not yet taken place and the training timescale had not been met, as it was a year since Committee had been told that training was taking place.

RESOLVED **To note the report.**

AC.018 **STATEMENT OF ACCOUNTS 2015/16**

The Accountancy Manager presented the report and reminded Members that the Statement of Accounts was an important part of the Council's accountability.

During questions from Members the following was discussed;

- Funding for Brimscombe Port from the HCA and SDC which Councillor Davies commented should be monitored as a risk to the Council;
- Reduction in Government funding;

- Rent arrears increase; and
- Planning costs.

- RESOLVED**
- To approve the audited Statement of Accounts for the year ending 31 March 2016; and
 - The Deputy S151 Officer together with the Chairman of the Committee be authorised to sign a letter of representation on behalf of the Committee and Council to KPMG, to enable the audit opinion to be issued.

AC.019 **ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY AND ACTUAL PRUDENTIAL INDICATORS 2015/2016**

The Principal Accountant presented a report on the treasury management activities in 2015/16, in accordance with the Council's Treasury Policy Statement and reported on actual 2015/16 Prudential Indicators in accordance with the requirements of the Prudential code.

- RESOLVED** **That the treasury management activity annual report for 2015/2016 and the actual Prudential Indicators be approved.**

AC.020 **QUARTER 1 TREASURY MANAGEMENT ACTIVITY REPORT 2016/17**

The Senior Accounting Officer presented the report on treasury management activity for the first quarter of the financial year.

During questions from Members, treasury management advice and direction of interest rates was discussed.

- RESOLVED** **The Audit and Standards Committee APPROVES the treasury management activity first quarter report for 2016/2017.**

AC.021 **INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2016/17**

Head of Audit Risk Assurance presented her report which informed Members of the internal audit activity progress in relation to the approved Internal Audit Plan 2016/17.

HRA revenue balances were discussed, a further progress report will be provided to Committee in November.

- RESOLVED**
- To accept the progress against the Internal Audit Plan 2016/17; and
 - To accept the assurance opinions provided in relation to the effectiveness of the Council's control environment comprising risk management, control and governance arrangements as a result of the Internal Audit activity completed to date.

AC.022**SELF ASSESSMENT OF RISK MANAGEMENT ARRANGEMENTS AT STROUD DISTRICT COUNCIL AGAINST ISO31000 RISK MANAGEMENT – PRINCIPLES AND GUIDELINES**

The Head of Audit Risk Assurance presented the report. The Strategic Head (Finance and Business Services) had requested a review of the risk management arrangements within the Council. Throughout the Council initial results of the review indicated 91% compliance with the standards, an action plan is being developed to enhance existing arrangements, which once finalised will be presented to Committee in November.

RESOLVED

- a. To note the review progress to date; and
- b. That further updates and outcomes will be provided to the Committee during 2016/2017 whether by committee information sheets or reports as appropriate.

AC.023**CHANGES TO THE ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS**

The Accountancy Manager presented the report which outlined options for the appointment of the Council's External Auditor for the 2018/19 and Committee were asked to consider whether to join the Sector Led Body for the management of contracts with External Auditors. It was resolved:

RECOMMENDED

to Council that the Council opts in to the Public Sector Audit Appointments Ltd as the Sector Led Body for the appointment of the Council's External Auditors from 2018/19.

AC.024**WORK PROGRAMME**

Members discussed the Committee's work programme for 2016/17. The Chair advised that a workshop would be held on Tuesday 4 October 2016, if Members were unable to attend to send their queries/questions in beforehand.

Items for future discussion, either as Information Sheets or reports to Committee:

- Brimscombe Port
- ICT Strategy and spending

RESOLVED

To agree the work programme.

AC.025**MEMBER QUESTIONS**

There were none.

The meeting closed at 9.17 pm.

Chair