

AUDIT AND STANDARDS COMMITTEE**3****25 June 2013****7.00 pm – 9.30pm****Council Chamber, Ebley Mill, Stroud****Minutes****Membership:**

Councillor Molly Cato *	P	Councillor Nigel Studdert-Kennedy**	P
Councillor Chris Brine	P	Councillor Keith Pearson	P
Councillor Paul Carter	P	Councillor Roger Sanders	A
Councillor Paul Denney	P	Councillor Rhiannon Wigzell	P
Councillor Alan O'Connor	A		

* Chair

** Vice-Chair

P = Present

A = Absent

Officers in attendance

Head of Finance

Senior Accountancy Officer

Principal Accountant

Accountancy Manager

Internal Auditor

Interim Asset Manager

Lettings Officer

Democratic Services and Elections Officer

Others in attendance

Darren Gilbert, Director, KPMG (the Council's external auditors)

AC.001**APOLOGIES**

None received.

AC.002 **DECLARATIONS OF INTEREST****Personal and Prejudicial Interests**

There were none.

AC.003 **MINUTES**

RESOLVED **That the Minutes of the meeting of the Audit and Standards Committee held on 26 March 2013, are approved as a correct record and signed by the Chair.**

AC.004 **PUBLIC QUESTION TIME**

There were none.

AC.005 **EXTERNAL AUDIT FEES 2013/14**

Darren Gilbert, Director of KPMG outlined some of the headlines contained within the Annual Audit Fee 2013/14 letter. Members requested, where possible that as much work carried out by KPMG was retained in the UK.

The planned fee for 2012/13 would be retained at the reduced rate for 5 years.

RESOLVED **To accept the report.**

AC.006 **4 QUARTER TREASURY MANAGEMENT ACTIVITY REPORT 2012/13**

The Principal Accountant presented the report and explained the figures set out in tables 1 and 2.

In response to a Members' question the Principal Accountant who Prime Rate were and that they had been triple A rated and as such were good for short term investments.

RESOLVED **To approve the treasury management activity fourth quarter report for 2012/2013.**

AC.007 **INTERNAL AUDIT PLAN MONITORING REPORT**

The Committee were informed that 91% of the Internal Audit Plan had been carried out for 2012/13.

The Internal Auditor explained to Members how Audit assurance level opinions were arrived at for individual audits. Although the overall assurance level of the Authority was satisfactory, Members raised concerns regarding specific audits which had received limited assurance opinions.

The audit of the Housing contract (letting and management of the major voids (North)) reported a number of issues of concern. The Chair invited the Interim Asset Manager and Lettings Officer to address the Committee about this audit. The Committee were informed by him that during the period in which the Audit of the service had been carried out Tenant Services were also reviewing their service and applying Systems Thinking. It was confirmed that a follow-up audit would take place to test that the agreed audit recommendations had been implemented and the findings reported back to the Committee.

Invoicing problems had occurred with regard to recycling, these issues had also been resolved.

The audit of the Subscription Rooms identified that improvements to the bar stock controls were required.

RESOLVED **To accept the report and the assurance given on the adequacy of internal controls operating in the systems audited.**

AC.008 **INTERNAL AUDIT ANNUAL REPORT 2012/13**

The Internal Audit Annual Report for 2012/13 outlined the audits carried out during 2012/13, which tested compliance with the Council's policies and regulations, and reviewed the effectiveness of the organisation's control environment.

Members were appalled at the lack of response to the Audit opinion surveys sent to the service following an audit. It was suggested that the audit is not completed until the forms have been returned.

The Head of Finance explained that the format of the survey form had been raised before and that it was the intention to review the form and the process for completion and return.

Members indicated that they felt the Chief Executive should inform managers that return of Audit survey forms was compulsory.

RESOLVED **To accept the Internal Audit Annual Report 2012/13 with the assurances from the Internal Audit Manager that overall, a satisfactory level of control exists within the systems audited during 2012/13.**

AC.009 **REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**

A self assessment had been carried out by the Internal Audit Manager and reported to the Section 151 Officer. The report had been submitted together with an evidence file. The self assessment identified a number of gaps, but these were not material and the overall conclusion was that the Internal Audit at Stroud District Council was effective.

Appendix b of the report set out areas where the Council were not fully compliant. Members sought clarification on how long documents were retained and were informed that the retention of the document was dependent on the type of audit being carried out.

RESOLVED To approve the review process and note the outcome of the review of the effectiveness of Internal Audit

AC.010 ANNUAL GOVERNANCE STATEMENT 2012/13

The Head of Finance presented the Annual Governance Statement for 2012/13. The Members were informed that it was a living document and as such could be subject to change. The Annual Governance Statement had been signed and approved by the Leader of the Council and the Chief Executive.

Subject to minor amendments Members of the Committee approved the document.

RESOLVED To approve the Annual Governance Statement 2012/13

AC.011 RISK MANAGEMENT POLICY

The Head of Finance introduced the report and outlined the changes made to the Policy and the processes for identifying, scoring, recording and managing risk. Members were happy to approve the Policy and did not feel that there should be a need for them to recommend this to the Strategy & Resources Committee for approval.

RESOLVED To approve the Risk Management Policy as set out in Appendix A.

AC.012 PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

CIPFA code of practice had been set in 2006; a new Public Sector Internal Audit Standards (PSIAS) came into effect April 2013. The Committee were informed that every five years the Internal Audit must be carried out by an external auditor.

RESOLVED To accept the report.

AC.013 AUDIT AND STANDARDS BUSINESS PLAN 2013/14

RESOLVED To note the Audit and Standards Committee Business Plan 2013/14 subject to the addition of the further reports stated above.

The meeting closed at 9.30 pm.

Chair