

## AUDIT AND STANDARDS COMMITTEE

26 November 2015

7.00 pm – 8.30 pm

Council Chamber, Ebley Mill, Stroud

# 3

### Minutes

#### Membership:

Councillor Nigel Studdert-Kennedy (Chair)	P	Councillor Colin Fryer	A
Councillor Tom Williams (Vice Chair)	P	Councillor Keith Pearson	P
Councillor Martin Baxendale	A	Councillor Rhiannon Wigzell	P
Councillor Karon Cross	A	Councillor Penny Wride	P
Councillor Stephen Davies	A		

A = Absent P = Present

#### Officers in attendance

Principal Procurement Officer	Internal Audit Manager
Accountancy Manager	Democratic Services Assistant
Principal Accountant	Facilities Management Officer
Head of Asset Management	Senior Facilities Management Officers
Community and Facilities Manager	

#### Others in attendance

Darren Gilbert – KPMG

#### **AC.026**

#### **APOLOGIES**

Apologies for absence were received from Councillors Martin Baxendale, Karon Cross and Stephen Davies.

The meeting was chaired by the Vice Chair, Councillor Tom Williams.

#### **AC.027**

#### **DECLARATIONS OF INTEREST**

There were none.

#### **AC.028**

#### **MINUTES**

#### **RESOLVED**

**That the Minutes of the meeting held on 29 September 2015, are approved as a correct record, subject to the following amendment and signed by the Chair.**

Minute AC.020, second paragraph, last but one sentence to read; "Except for some issues that had been identified in respect of the procurement process which had resulted in a qualification to the VFM conclusion".

**AC.029**                      **PUBLIC QUESTION TIME**

None received.

**AC.030**                      **AUDIT AND STANDARDS WORK PROGRAMME FOR 2015/16**

The programme was agreed with the addition of a report in January 2016 concerning procurement. There would also be an internal audit plan monitoring report.

**RESOLVED**                      **To note the work programme, subject to the inclusion of the above in the 2015/16 work programme.**

**AC.031**                      **UPDATE ON CAR PARK AUDIT**

The Community and Facilities Manager gave a verbal report on the car park audit. He confirmed that he had discussed the action taken on implementing the audit recommendations with the appropriate auditor and had requested Internal Audit to undertake a full review in April 2016. It was confirmed that a 'park by phone' option would be introduced in January 2016 along with cash machines. A debit/credit card facility would be introduced at Merrywalks when the new machines are installed in January 2016.

**RESOLVED**                      **To accept the report.**

**AC.032**                      **ANNUAL AUDIT LETTER 2014/15**

Darren Gilbert, KPMG presented the report which provided a summary of the work undertaken in 2014/15 and summarised the key outcomes. Members asked for details of the cost of £891 for considering a response to an objection raised by an elector. Darren Gilbert informed Members that it was related to the level of precept raised by a parish council and was not really an issue from a district council perspective.

**RESOLVED**                      **To accept the report.**

**AC.033**                      **HALF YEAR TREASURY MANAGEMENT ACTIVITY REPORT 2015/16**

The report, presented by the Principal Accountant, was a formal requirement under the Treasury Management Code to provide Members with an overview of investment activity. The report contained two separate elements. The first was to seek Committee approval to change the rating for permitted investments in money market funds. The second element provided a summary of the second quarter investments.

The change to the rating would permit the Council to invest in different money market funds which would provide a better return for minimal risk.

The summary of the Council's investments identified that the Council had sold its remaining interest in the Icelandic bank and 98% of the original principal sum invested had been recovered. In respect of current investments the Council had received £114,491 interest on its investments up to 30 September 2015.

Members noted the procedure for borrowing in advance of need which could be used if; capital spend would be likely within 12 months, interest rates were likely to rise in the future or treasury advisers evaluate a net saving after assessing the cost of carry.

The report advised of a planned property fund investment selection process and the requirement to procure a new treasury advice contract from October 2016.

**RECOMMENDED TO COUNCIL** To approve the treasury management activity half year report for 2015/2016, including the revisions to the 2015/16 strategy as set out in paragraphs 3.5, 5.2 and 5.3.

#### **AC.034**                      **INTERNAL AUDIT PLAN MONITORING REPORT**

The report by the Internal Audit Manager included details of the number of completed audits against the target. Due to resource issues the target completion figure had not been achieved. However, it was planned to advertise and recruit to the vacant posts early in 2016. In respect of the internal audit work completed, as a result of the issues identified in the Capital Accounting audit, it was suggested that a follow-up audit be added to the audit plan for 2016/17.

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

#### **AC.035**                      **REVIEW OF THE PROCUREMENT ACTION PLAN**

The Principal Procurement Officer presented the report which summarised the Council's progress of the action plan. Members were informed that a training plan was in place and that every employee would receive awareness training and would form part of the induction process.

**RESOLVED**                      **To note the progress made on the Procurement Action Plan.**

#### **AC.036**                      **RISK MANAGEMENT UPDATE**

The Accountancy Manager presented the report and appendix. In Appendix A to the report there should be a focus on items with a risk factor of eight and above. In response to members questions it was noted that the 'basket' icon on the management system Excelsis provided a way of grouping items together. It was suggested that the report should list items in risk order.

**RESOLVED**            **That the Risk Register as set out in Appendix A, is representative of the key risks facing the Council.**

**AC.037**                **MEMBERS' QUESTIONS**

There were none.

The meeting closed at 8.30 pm.

**Chair**