

Audit Committee
25 July 2016

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the AUDIT COMMITTEE held on Monday 25 July 2016 at 7.30pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City.

PRESENT: Councillors G Michaelides (Chairman)

M Levitt, S Markiewicz, H Quenet and S Roberts

ALSO

PRESENT: D.Bell (Executive Member, Resources)

OFFICIALS Director (Finance and Operations) (P.Kettle)

PRESENT: Finance Manager (J.Cika) (for items 1-6)
Principal Governance Officer (I.Colyer)
Ernst and Young (N.Harris and K.Storey)
Shared Internal Audit Service (D.Williams)
Governance Services Manager (G.R.Seal)

1. APPOINTMENT OF CHAIRMAN:

Councillor G.Michaelides was appointed Chairman of the Committee for the 2016/17 Municipal Year at the Annual Council Meeting on 23 May 2016.

2. MINUTES:

The Minutes of the meeting on 21 March 2016 were confirmed as a correct record and signed by the Chairman.

3. ACTIONS UPDATE:

The report of the Director (Governance) on the status of actions agreed at the last meeting was noted.

4. RISK MANAGEMENT:

The report of the Director (Governance) brought to the Committee's attention the current top strategic and operational risks facing the Council.

RESOLVED:

That the current Strategic Risk Register and top operational risks be reviewed, noting particularly that controls were assigned relevant to the risk in question and mitigation plans were in place where necessary with the correct current status, together with comments in respect of each risk where shown.

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5. 2015/16 STATEMENT OF ACCOUNTS:

Report of the Director (Finance and Operations) presenting the Statement of Accounts for the financial year 2015/16 for approval following conclusion of the external audit. An updated page 12 of the narrative report was tabled at the meeting.

There were no significant changes to the accounting policies for the 2015/16 accounts. Overall the production of the accounts and final audit work had gone well and been delivered eleven days earlier than the previous year. There were no uncorrected misstatements that remained in the audited accounts.

There were a number of amendments to disclosures which would be included in the final accounts.

It was acknowledged that the Council was one of the first authorities in the Country to conclude its audit process and present the final Statement of Accounts to the Audit Committee for approval at the meeting.

The 2015/16 accounts were presented with an unqualified opinion and there were no material changes.

The Committee thanked the Finance Manager for arranging a briefing for Members which was helpful to their understanding of the Statement of Accounts.

RESOLVED:

- (1) That the audited Statement of Accounts for 2015/16 and accounting policies, as updated, be approved and signed by the Chairman of the Committee.
- (2) That the letter of representation be approved and signed by the Chairman of the Committee.

6. AUDIT RESULTS REPORT - ISA (UK AND IRELAND) 260 FOR THE YEAR ENDED 31 MARCH 2016:

Report of Ernst and Young summarising the findings from the 2015/16 audit which was substantially complete and included messages arising from the audit of the Council's financial statements and the results of the work that had been undertaken to assess arrangements to secure economy, efficiency and effectiveness in the use of resources.

Ernst and Young thanked the Council Officers for their help. The Council was well placed for the faster closure of accounts and this was an excellent achievement. An unqualified opinion would be issued on the accounts and conclusion on value for money arrangements, certifying the closure of the audit. Following publication of the accounts, the thirty day inspection period was now closed. One member of the public had raised a number of matters, but no objection had been received.

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Members and Officers thanked Ernst and Young for the good joint working relationship. Ernst and Young would now be looking to do the same for other Councils and to advance the timetable further forward next year from 25 July towards 31 March. This would be a challenge with significant additional work requiring co-operation and re-engineering audits to increase the current amount of work done before 31 March from 30% to 60%.

7. WELWYN HATFIELD BOROUGH COUNCIL 2015/16 ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT ANNUAL REPORT:

Report of the shared Internal Audit Service recommending that Members note the Annual Assurance Statement and Internal Audit Annual Report and the results of the self-assessment as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme; accept the SIAS Audit Charter and seek assurance from management that the scope and resources for internal audit were not subject to any inappropriate limitations in 2015/16.

RESOLVED:

- (1) That the Annual Assurance Statement and Internal Audit Annual report be noted.
- (2) That the results of the self-assessment as required by both the Public Sector Internal Audit Standards and the Quality Assurance and Improvement Programme be noted.
- (3) That the SIAS Audit Charter be accepted.
- (4) That assurance be sought from management that the scope and resources for internal audit were not subject to any inappropriate limitations in 2015/16.

8. PUBLIC SECTOR INTERNAL AUDIT STANDARDS - MANAGEMENT CONFIRMATION:

Report of the Director (Finance and Operations) presenting management confirmation to the Committee as required in terms of the Public Sector Internal Audit Standards that there had not been any inappropriate scope or resource limitations on internal audit activity.

RESOLVED:

- (1) That management confirmation, as required in terms of the Public Sector Internal Audit Standards (PSIAS), that there had not been any inappropriate scope or resource limitations on internal audit activity be noted.

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- (2) That management confirmation when the Head of Assurance's annual report was considered be accepted.

9. WELWYN HATFIELD BOROUGH COUNCIL - INTERNAL AUDIT PROGRESS REPORT:

Report of the Shared Internal Audit Service asking Members to note the Internal Audit Progress Report and approve amendments to the Audit Plan.

RESOLVED:

That the Internal Audit Progress Report be noted and amendments to the Audit Plan as at 11 July 2016 be approved.

10. AUDIT RECOMMENDATIONS - MONITORING UPDATE:

Report of the Director (Governance) presenting an update on previous audit actions/recommendations and progress made in the implementation of these.

RESOLVED:

That the monitoring update on audit recommendations be noted.

11. DRAFT ANNUAL GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR 2015/16:

Report of the Chief Executive presenting the Draft Annual Governance Statement for the financial year 2015/16 compiled in accordance with the best practice set out in the CIPFA/SOLACE Guidance Framework "Delivering Good Governance in Local Government".

The Statement had been agreed by the Executive Board, Cabinet and Standards Committee.

RESOLVED:

- (1) That the Draft Annual Governance Statement be approved.
- (2) That the Chief Executive be authorised, in conjunction with the Leader of the Council, to make any subsequent amendments to the Draft Annual Governance Statement necessitated by the comments made by both the Standards and Audit Committees.
- (3) That the certification of the Statement by the Leader of the Council and the Chief Executive be recommended.

Meeting ended at 9.25 pm
GS