

Minutes

Governance Committee

16th September 2015



Councillors	Present	Councillors	Present
M Dunn	Yes	Miss V Santomauro	No
J Elliott (Chairman)	Yes	Miss M Thorogood	Yes
J Goodman	Yes	R van Dulken	Yes
D Hufton-Rees	Apologies		

In attendance:

Lesley Day	Audit, Insurance and Fraud Manager
Chris Fleetham	Corporate Director
Phil Myers	Financial Services Manager
Alison Webb	Governance and Members Officer
Trevor Wilson	Head of Finance

Lisa Clampin	BDO (External Auditors)
Liana Nicholson	BDO (External Auditors)

15 **PUBLIC QUESTION TIME**

INFORMATION: There were no questions asked, or statements made.

16 **MINUTES**

DECISION: That the Minutes of the meeting of the Governance Committee held on 2nd July 2015 be approved as a correct record and signed by the Chairman.

17 **DECLARATIONS OF INTEREST**

INFORMATION: There were no interests declared.

18 **KEY FINANCIAL INDICATORS – 31ST JULY 2015**

INFORMATION: Members considered a report on Key Financial Indicators which provided information on performance for the financial year to 31st July 2015.

DECISION: That the report on the Key Financial Indicators as at 31st July 2015 be accepted.

REASON FOR DECISION: To provide evidence that the Council adopts good practice in actively monitoring its financial performance and actively manages issues that may arise.

19 **INTERNAL AUDIT – ACTIVITY REPORT FOR THE PERIOD TO 31ST AUGUST 2015**

INFORMATION: Consideration was given to a report on the details and outcomes of assignments undertaken by Internal Audit during the period 1st June 2015 to 31st August 2015. In an amendment to the report, Members were advised that the number of recommendations relating to the audit of contract documentation was '0'.

The report included an update on reportable recommendations and it was noted that no applications had been made under the Regulation of Investigatory Powers Act during the stated period of time.

DECISION: That the Internal Audit activity report for the period 1st June 2015 to 31st August 2015 be accepted.

REASON FOR DECISION: To advise Members of the audit assignments completed for the period 1st June 2015 to 31st August 2015.

20 **STATEMENT OF ACCOUNTS 2014-15 AND THE EXTERNAL AUDITOR'S FINAL REPORT**

INFORMATION: Consideration was given to the Statement of Accounts 2014/15. The statutory deadline for publication of the audited accounts was 30th September 2015.

The Council's External Auditor, BDO LLP (BDO), had carried out an audit of the accounts and their findings were set out in a report to the Governance Committee which was appended to the Agenda. BDO had substantially completed their audit although there were some outstanding items, the details of which were set out in the report. Subject to satisfactory completion of these items, it was anticipated that BDO would issue an unqualified opinion on the accounts.

Members were informed about proposed changes to local authority financial reporting. These included a requirement, with effect from the 2017/18 reporting year, for accounts to be prepared by 31st May and published with an audit opinion by 31st July. It was proposed that the Council's accounts for the 2015/16 and 2016/17 reporting years should be prepared in accordance with these earlier timescales. It was also proposed that Highways Network Assets should be recorded in accounts on a depreciated replacement cost basis with effect from the 2016/17 financial year. Finally, it was proposed that local authorities should be able to prepare accounts based on their organisational arrangements, rather than in compliance with the current standardised approach. This would provide a clearer link to budget information. It was anticipated that this proposal could be introduced from the 2016/17 financial year, or possibly earlier.

DECISION:

- (1) That the External Auditor's Final Report to the Governance Committee on their audit for the year ended 31st March 2015 be received and noted.

- (2) That the Corporate Director and Chairman of the Governance Committee be authorised to certify the Management Representation letter as set out in Appendix VI to the External Auditor's report.
- (3) That the Council's Statement of Accounts 2014/15 be approved.

REASON FOR DECISION: To comply with the Audit and Accounts Regulations, Members are requested to approve the Council's Statement of Accounts having regard to the External Auditor's report.

21 **TREASURY MANAGEMENT REVIEW – ANNUAL REPORT 2014/15 AND MID-YEAR REVIEW 2015/16**

INFORMATION: Consideration was given to the Treasury Management Review - Annual Report 2014/15 and Mid-Year Review 2015/16.

DECISION: **That Cabinet be advised:-**

- (1) That the Treasury Management Review – Annual Report 2014/15 and Mid-Year Review 2015/16 be received and noted.
- (2) That the Cabinet Member for Finance and Performance be requested to highlight the Council's successful and prudent approach to investment and treasury management over recent years when presenting the report to Cabinet and Full Council.
- (3) That the Treasury Management Review - Annual Report 2014/15 and Mid-Year Review 2015/16 be submitted to Cabinet and Full Council.

REASON FOR DECISION: The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services which requires that Full Council receives an annual report and mid-year review of its treasury management function in order to exercise its ultimate responsibility for treasury management activities. Under the Council's Constitution, the Governance Committee should initially review the report and recommend to Cabinet before Full Council receives the report.

22 **FORWARD LOOK – TWELVE MONTHS TO SEPTEMBER 2016**

INFORMATION: Consideration was given to a schedule of routine audit and accounts reports and annual governance reports which would be presented to the Governance Committee during the forthcoming 12 months. Ad-hoc reports would be presented to the Committee as required.

In discussing this item, it was reported that the Council's current External Auditor BDO would not be represented at meetings of the Governance Committee beyond January 2016 as Ernst and Young would be taking on the External Auditor role. This handover would be carried out in accordance with a defined protocol.

DECISION: That the Governance Committee report schedule for the next 12 month period be noted.

REASON FOR DECISION: To agree the work and reports to be undertaken by and presented to the Governance Committee over the coming 12 months.

The meeting commenced at 7.15pm and closed at 8.51pm.

Councillor J Elliott
(Chairman)