

---

# AUDIT COMMITTEE

---

**Monday, 19th September, 2016**

**Present:** Councillor Noordad Aziz (in the Chair), Councillors Diane Fielding (Vice Chair), Stephen Button, Julie Livesey, Bernadette Parkinson and Glen Harrison

---

**173 Apologies for Absence, Declarations of Interest, Dispensations and Substitutions**

Apologies for absence were submitted from Mark Beard (Head of Audit & Investigations) and Stephen Brindle (Head of Accountancy).

Angela Kelly (Senior Auditor) and Helen Seedall (Financial Controller) would be reporting at the meeting on their behalf.

There were no reported declarations of interest or dispensations.

**174 Minutes of the Last Meeting**

The minutes of the last meeting held on the 27<sup>th</sup> June 2016 were submitted for approval.

**Resolved** - **That the minutes be received and approved as a correct record.**

**175 Risk Management Monitoring Report**

The Corporate Performance Manager, Mike Walker, presented a report which informed the Committee of the outcome of the Generic and Strategic Risk Register.

There had been no major changes made to the Generic or Strategic Risk Registers but there had been a single minor change made to the Generic Risk Registers which was detailed in Appendix 1 of the report.

A summary of all risks contained in the Generic, Operational and Strategic Registers were detailed in Appendix 2 of the report

At the 27<sup>th</sup> June Audit Committee concerns were expressed about local government budget cuts and austerity measures along with the impact of the EU referendum. HBC management team had considered the comments and they were adequately covered in the Risk Registers but due to them being a developing situation, they would be kept under review.

**Resolved** - **That Audit Committee noted the contents of the report.**

**176 Audit Reports & Key Issues- Progress Report for the Period July- September 2016**

The Head of Audit and Investigations, Mark Beard had submitted a report to inform members of the Audit Committee of Audit Reports issued during the period July- September 2016 and bring to the attention of the Committee what the key issues were.

HBC Senior Auditor, Angela Kelly reported that there was a target of 98% of the audit plan to be completed by the end of the current financial year in terms of audit days completed. The figures contained in the report gave updated details to the end of August 2016 and the projected out turn position for 2016/17.

A summary of the main issues arising from audits carried out between July- September 2016 was attached to Appendix 1 of the report and detailed substantial assurance in the following areas:

- Safeguarding
- Data Security and Storage
- Council Constitution and Regulations
- Data Protection
- Markets

**Resolved** - That the report be noted for informational purposes.

#### **177 Audit Follow-Ups Report for the Period July- September 2016**

The Head of Audit & Investigations submitted a report, which informed Members of the outcome of routine follow-ups of previously agreed action plans for completed audit reports. The follow-ups detailed within the report are those carried out during the period July-September 2016.

The following follow-ups were carried out during the period July 2016 to September 2016.

- Business continuity planning
- Insurance arrangements
- Network controls
- Pest control

The Chair requested an update on Insurance arrangements at the next Audit Committee meeting as one of the actions agreed had not been implemented.

**Resolved** - That the report be noted for informational purposes.

#### **178 Statement of Accounts 2015/2016**

The Head of Accountancy Services, Stephen Brindle had submitted a report to present for approval the Council's Statement of Accounts for 2015/16.

The Deputy Chief Executive, Joe McIntyre provided the committee with information on the accountancy process and that the draft accounts were completed and published on the Council's website in mid-June. Subsequently, Grant Thornton started their on-site audit of the accounts and the work was close to completion.

The Statement of Accounts was attached to the agenda as Appendix A.

The Chair asked about the finance that had been set aside for the provision of repayment of taxi licence fees incorrectly charged and it was reported that this was covered in page 61 of Appendix A

The Deputy Chief Executive expressed his thanks to the accountancy team and their hard work in contributing to the document.

The Chair also placed on record his thanks to all involved with the production and auditing of the Council's accounts and thanked Grant Thornton, the Deputy Chief Executive and the accountancy department.

Due to a small amount of work still required on the accounts it was requested that Members of Audit Committee refrain from approving the accounts at the meeting and delegate powers to the Chair of the Committee to approve the accounts by the end of the current month.

**Resolved** - **That Audit Committee noted the Statement of Accounts for 2015/16 and that the Audit Chair be delegated the power of the committee to approve and sign the final set of accounts by a deadline of the end of September 2016.**

#### **179 The Audit Findings for Hyndburn Borough Council- Grant Thornton**

Karen Murray of Grant Thornton, the Council's external auditors informed members of the committee with a report on the audit findings and key issues arising from the audit for the benefit of those charged with governance (Audit Committee) as required by the international standard on auditing, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice.

The report attached to the supplementary agenda related to matters which came to Grant Thornton's attention during the conduct of their normal audit procedures which were designed for the purpose of expressing opinion on financial statements and to give a value for money conclusion. The audit was not designed to test all internal controls or identify all areas of control weakness.

Other items covered in the report, included:

- Materiality
- Audit findings against significant risks
- New issues and risks identified during the course of the audit
- Group audit scope and risk assessment
- Accounting policies, estimates and judgements
- Internal controls
- Misclassifications and disclosure changes

Based on the value for money review, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

It was reported that the audit was substantially complete although some aspects of work still required completion before an opinion could be issued on the group accounts.

Some Members of the Committee asked the external auditors a number of questions ranging from why future accounts would have to be produced earlier in the year and to clarify benefits in kind.

**Resolved** - **That the report be noted for informational purposes.**

#### **180 Time/Date/Venue of Next Meeting of Committee**

**Resolved**

- That the next meeting of the Audit Committee be held on Monday, 12<sup>th</sup> December 2016 at 5.30 pm in the Queen Elizabeth Room at Scaitcliffe House.

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed