

Borough Council of
**King's Lynn &
West Norfolk**



Audit Committee

Agenda

Monday, 4th September, 2017
at 5.00 pm

in the

Card Room
Town Hall
Saturday Market Place
King's Lynn



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX
Telephone: 01553 616200
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23 August 2017

Dear Member

Audit Committee

You are invited to attend a meeting of the above-mentioned Panel which will be held on **Monday, 4th September, 2017 at 5.00 pm** in the **Card Room, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ** to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. Apologies

2. Minutes (Pages 4 - 9)

To approve the minutes from the Audit Committee held on 31 July 2017.

3. Declarations of Interest

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the Member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on any item or simply observing the meeting from the public seating area.

4. Urgent Business Under Standing Order 7

To consider any business which, by reason of special circumstances, the Chairman proposed to accept as urgent under Section 100(b)(4)(b) of the Local Government Act 1972.

5. Members Present Pursuant to Standing Order 34

Members wishing to speak pursuant to Standing Order 34 should inform the Chairman of their intention to do so and on what items they wish to be heard before the meeting commences. Any Member attending the meeting under Standing Order 34 will only be permitted to speak on those items which have been previously notified to the Chairman

6. Chairman's Correspondence (if any)

7. Presentation on IT Back-Up Systems

8. Monitoring Officer Report 2016/2017 (Pages 10 - 15)

9. Treasury Outturn Report (Pages 16 - 26)

10. Update - Internal Audit Terms of Reference (Pages 27 - 37)

11. Committee Work Programme 2017/2018 (Pages 38 - 40)

12. Date of Next Meeting

To note that the date of the next meeting of the Audit Committee will take place on 27 November 2017.

To:

Audit Committee: Mrs J Collingham, J Collop, M Hopkins (Vice-Chairman), P Kunes, C Manning, G Middleton, D Pope (Chairman), T Smith and T Tilbrook

Portfolio Holders:

Councillor B Long - Leader

Councillor Mrs K Mellish – Facilities and ICT

Councillor P Hodson - Performance

Management Team Representative:

L Gore – Executive Director

Appropriate Officers: The following officers are invited to attend in respect of the Agenda item shown against their name

Item 7: R Godfrey, ICT Manager

Item 8: E Duncan, Monitoring Officer

Item 9: T Cowper, Group Accountant

Item 10: K Woodward, Audit Manager

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**AUDIT COMMITTEE**

Minutes from the Meeting of the Audit Committee held on Monday, 31st July, 2017 at 5.00 pm in the Card Room - Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillor D Pope (Chairman)
Councillors J Collop, M Hopkins (vice-Chairman), P Kunes, C Manning,
G Middleton and T Tilbrook

Portfolio Holder

Councillor P Hodson - Portfolio Holder, Performance

Officers:

Lorraine Gore, Executive Director

Kathy Woodward, Audit Manager

Vanessa Dunmall, Performance and Information Officer

A17 APOLOGIES

Apologies for absence were received from Councillors Mrs J Collingham and B Long.

A18 MINUTES

The Minutes of the Audit Committee held on 30 May 2017 were agreed as a correct record and signed by the Chairman, subject to the following typographical amendment:

A14 AUDIT COMMITTEE EFFECTIVENESS REPORT

The Audit Manager informed Members that it was considered to be **good** practice for the Audit Committee to present Cabinet with an annual report on the work carried out by the Committee in the preceding year.

A19 DECLARATIONS OF INTEREST

There were no declarations of interest.

A20 URGENT BUSINESS UNDER STANDING ORDER 7

There was no urgent business.

A21 MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

There were no Members present under Standing Order 34.

A22 **CHAIRMAN'S CORRESPONDENCE (IF ANY)**

There was none.

A23 **STATEMENT OF ACCOUNTS**

Items 7 and 8 were considered together as one item.

The Executive Director presented the Statement of Accounts (SOA) 2016/2017 and explained that the Statement was the final accounts set out in a format which included the Council's balance sheet and associated notes. The report also considered the report from the Auditor on the Accounts 2016/2017 – the International Auditing Standard (ISA 260).

The Committee was reminded that the Council must formally approve the SOA for 2016/2017 by 30 September 2017. As the Council's designated S151 Officer, the Executive Director, Finance Services, was responsible for the SOA and certified her acceptance of the accounts. It was noted that associated with the final accounts the Council was required to sign off an Annual Governance Statement (AGS) which was separately listed on the Agenda.

RESOLVED: The Audit Committee:

- 1) Considered the comments of the Auditor in the ISA260.
- 2) Approved the Statement of Accounts for 2016/2017.
- 3) The Chairman signed the Statement of Accounts and the Letter of Representation on behalf of the Borough Council of King's Lynn and West Norfolk.

A24 **EXTERNAL ISA 260 REPORT**

In presenting the ISA 260 report, the External Auditors advised that the audit of the Borough Council had been substantially completed for the year ended 31 March 2017 and that subject to concluding the outstanding matters listed in their report, Ernst and Young confirmed that they expect to issue an unqualified audit opinion on the financial statements in the form at Section 3.

The Committee was reminded that the statutory deadline for 2016/2017 was 30 September 2017. However, the Council was aiming to approve the financial statements on 31 July 2017 in preparation for the earlier statutory deadline of 31 July which was relevant for financial years ending on or after 31 March 2018. Ernst and Young therefore

confirmed that they would also expect their audit opinion by the end of July 2017.

Ernst and Young advised that the report was intended solely for the use of the Audit Committee, other members of the Authority and senior management; it should not be used for any other purpose or given to any other party without obtaining the External Auditor's consent.

The Committee's attention was drawn to the following sections of the report

- Page 37: Assessment of Materiality – this was reassessed using the actual results for the financial year, which was reduced to £1.6 million.
- Page 38: There were no unadjusted audit differences arising from the audit. Any outstanding issued had been addressed in the Letter of Representation which would be signed by the Chairman of the Audit Committee, together with the Statement of Accounts.
- Page 42: Audit Risks. The auditor's testing had not identified any material misstatements from revenue and expenditure recognition. The audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Authority's financial position.
- Page 63: The responsibility of the Council's auditor was to consider whether the Authority had put adequate arrangements in place to satisfy that the systems of internal financial control were both adequate and effective in practice. The auditor confirmed that no weaknesses were identified.
- Appendix D: Request for a Letter of Representation. The Committee was advised that this was a generic standard request and did refer to any specific points.
- Page 57: Value for Money – The Auditor advised that the Council had a comfortable level of reserves and a strategic plan in place to address the three year budget gap.

Ernst & Young and the Executive Director responded to questions on the Statement of Accounts and the ISA260 relating to:

- Reclassification between long-term and short-term investments.
- Statutory deadline of 31 July 2018.
- Identified budget gap – the Borough Council had a plan and a level of reserves in place to address the budget deficit.
- Pension Valuation and Disclosure. It was explained that accounting for this scheme involved significant estimation and judgement and that the actuarial expertise was used by the Council. Comparisons had also been made with other local authorities. The Council's arrangement to pay a three year upfront payment was explained. It was highlighted that the actuary worked out the required payment on a yearly basis. The Executive Director explained that that Pension Scheme was a

longer term scheme and had changed from final salary to career average.

- Procedure in place for repayment of NWES loan.
- Non-Domestic Rates Provision. The auditor confirmed that the Council's provision for business rate appeals was adequate. An example of the Power Station appeal was outlined to the Committee.
- Freebridge Community Housing Ltd – the Committee was referred to page 64 of the SOA and it was noted that there was a VAT sharing agreement between FCH and the Council.
- Property, Plant and Equipment – it was explained that the accounting policy was to review individual items on a 5 year rolling programme.
- Group Accounts – it was explained that an additional fee of £3,000 had been incurred for the additional work required to meet the group consolidation requirements of the Code of Practice and International Accounting Standards.
- The Borough Council's investment portfolio.
- Heritage Assets.

The Chairman, Councillor Pope thanked Ernst and Young for attending and answering questions from the Committee.

RESOLVED: The Committee considered and noted the comments of the Auditor in the ISA260.

A25

ANNUAL GOVERNANCE STATEMENT

In presenting the report, the Performance and Information Officer reminded the Committee that the preparation and publication of an Annual Governance Statement (AGS) was a statutory requirement. The AGS was a public statement that described and evaluated the Council's overall governance arrangements, in particular how it had complied with its Code of Corporate Governance during a particular financial year.

The key issues were outlined as set out in the report.

The Committee's attention was drawn to Page 98, 5th bullet point error identified totalling £522,910. The amount had been included in the end of year annual business rates return required by Government. The external auditors had been informed as part of their audit of the accounts for 2016/17 and the write-off had been included within the Council's 2016/17 annual accounts. Members were advised of the actions taken as a result of the error as set out in the report.

The Executive Director and Performance and Information Officer responded to questions in relation to:

- Background information relating to the error amounting to £522,910 and the actions being taken. It was explained that two members of staff were now in place to deal with this specialist area. Both members of staff had attended several specific NNDR transition courses to ensure full and correct understanding of requirements.
- New growth and Business Rates and the Norfolk Pool arrangement.

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RESOLVED: 1) The Committee confirmed that the 2017 Annual Governance Statement (as attached) properly reflects the risk environment and that actions required to improve it are in hand.

2) The Committee approved the 2017 Annual Governance Statement (as attached) and confirm that the Chairman of the Audit Committee should sign accordingly.

A26

EXTERNAL AUDITOR APPOINTMENT FOR GRANT CERTIFICATION WORK

The Internal Audit Manager presented the report which provided the Committee with an overview of the required process for appointing external auditors in relation to the Grant Certification work.

It was explained that the work primarily covered auditing the Housing Benefit Subsidy claim and did not form part of the arrangements previously agreed for the general external audit appointment process.

The Committee was advised of the two options considered as set out in the report.

The Internal Audit Manager responded to questions relating to:

- Option 2: Authorities can directly approach the auditor appointment by PSAA to also conduct the certification work. It was explained that the Council would have had to appoint an independent board. It was noted that the Council had a planned spend for 2017/18 of £23,460 on grant certification work.
- Process required to appoint an auditor to carry out grant certification work. The Committee was informed that contact had been made with other local authorities who had confirmed that they would be taking the option 2 approach.

RESOLVED: 1) To suspend Contract Standing Orders as noted within the report in order to appoint the same auditor for the grant certification work as is appointed by the PSAA for the general audit work.

2) To delegate to the Section 151 Officer the authority to negotiate and enter into a contract with the preferred supplier for the grant

certification work, for the same term as the contract awarded through PSAA.

A27 **COMMITTEE WORK PROGRAMME 2017/2018**

The Committee notes the Work Programme.

A28 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will be held on Monday 4 September 2017 at 5.00 pm in the Education Room, Town Hall, Saturday Market Place, King's Lynn.

The meeting closed at 6.06 pm

Monitoring Officer Annual Report 2016/17

Section Contents

1 Introduction

2 The Monitoring Officer's Work April 2016 – March 2017

3 Key Messages

4 Looking Forward

5 Overall opinion on the adequacy and effectiveness of the Governance framework

Monitoring Officer Annual Report 2016/17

1. Introduction

- 1.1 The Monitoring Officer's Annual Report summarises the more important matters arising from the Monitoring Officer's work for the Borough Council from 1 April 2016 to 31 March 2017 and comments on other current issues.
- 1.2 Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the fundamental principles of openness, integrity and accountability together with the overarching concept of leadership. In this respect, the Borough Council of Kings Lynn and West Norfolk recognises the need for sound corporate governance arrangements and has put in place policies, systems and procedures designed to achieve this.
- 1.3 The Monitoring Officer is appointed under Section 5 of the Local Government and Housing Act 1989 and has a number of statutory functions in addition to those conferred under the Local Government Act 2000 and subsequent regulations governing local investigations into Member conduct. These are outlined in the next section of the report.

2. The Monitoring Officer's Work April 2016 – March 2017

The appointment of the current Monitoring Officer was confirmed by Council in June 2014 and has carried out the statutory functions since that time.

Duties	Work undertaken
(a) Report on contraventions or likely contraventions of any enactment or rule of law.	The Monitoring Officer and her staff have attended meetings and provided advice to Members and Council officers.
(b) Report any findings of maladministration causing injustice where the Ombudsman has carried out an investigation.	There have been no such reports.
(c) Establish and maintain the Register of Member's interests and gifts and hospitality.	All Members of both the Borough and Parish Councils completed new returns following the elections in May 2015. These are being kept up to date. Members have been issued with Guidance. Members making nil returns have been reminded of their obligations under the

	<p>Code.</p> <p>The Register of Members' Interests is publicised on the Council's website. The Registers are available for inspection at the Council's offices.</p>
(d) Maintain Register of Employees gifts and hospitality.	The Registers have been updated regularly and are open to inspection.
(e) Investigate misconduct in respect of District, Parish and Town Councillors under the Code of Conduct.	<p>During the year between April 2016 and March 2017 a total of 19 complaints have been received. This compares to last year's figure of 27.</p> <p>The majority of the complaints relate to parish councils.</p> <p>In a significant proportion of these cases there was either no breach identified or the members concerned were offered guidance and assistance.</p> <p>In some cases the parish councils were offered assistance to resolve the issues themselves rather than having solutions imposed upon them.</p> <p>No cases were referred for investigation.</p> <p>Members have regularly sought advice in order to comply with the Code of Conduct, particularly in relation to declaring interests under the Code.</p> <p>Members have been provided with guidance through the provision of briefing notes and training on the Code of Conduct has been undertaken by the Monitoring Officer.</p> <p>A new Independent Person has been appointed.</p>
(f) Investigate breaches of the Council's own protocols.	<p>There have been no alleged breaches of the Council's own protocols which have been investigated and dealt with accordingly.</p> <p>The Monitoring Officer has provided advice</p>

	to members and officers.
(g) Provide advice to Town and Parish Councils on the interpretation of the Code of Conduct.	<p>The Monitoring Officer has provided advice to Parish Councils on the Standards and Conduct Arrangements during 2016/17 face to face, by letter, telephone and email.</p> <p>The Monitoring Officer has provided advice and assistance to a number of parishes through interventions to raise standards and deal with complaints.</p>
(h) Promote and support high standards of conduct through support to the Standards Committee.	<p>The Committee has not met this year as there has been no requirement to do so.</p> <p>A new Independent Person has been selected and appointed by the Council.</p>
(i) Compensation for maladministration.	None.
(j) Maintenance and review of the Constitution.	The Constitution has been revised and updated during the year.
(k) Responsibility for complaints made under the Council's Whistleblowing and Anti-Fraud policies.	None
(l) Breaches of the Employee Code of Conduct.	There have no formal allegation of breaches under the Employee Code of Conduct.
(m) Advice on vires issues, maladministration, financial impropriety, probity and policy framework.	<p>The Monitoring Officer has been consulted on new policy proposals and on matters, which have potentially significant legal implications.</p> <p>The Monitoring Officer has attended Council and other Committees as necessary.</p> <p>Officers consult the Monitoring Officer regularly on vires and probity issues.</p> <p>The Monitoring Officer regularly advises on the legality and/or appropriateness of administrative procedures, in conjunction with the Democratic Services Team.</p>

3. Key Messages

3.1 The key messages to note from the year are:

- (i) The systems of internal control administered by the Monitoring Officer including compliance with the Council's Constitution were adequate and effective during the period for the purposes of the latest Regulations. However, it is important that Members and Officers are regularly reminded of their obligations and updated on any changes to ensure there is no complacency.
- (ii) The Constitution continues to be regularly updated.

4. Looking Forward

4.1 The key issues for 2017/18 are as follows;

- Further work with the parishes would be beneficial in reducing the number of complaints and raising the standards of governance.

4.2 Code of Conduct

4.2.2 To undertake Member training.

4.3 Corporate Governance Framework

- 4.3.1 The Council will keep the Code of Corporate Governance under review, taking into account any revisions to associated guidance and any recommendations arising from audit reports.
- 4.3.2 The Monitoring Officer will continue to provide an assurance in respect of the Code and the Annual Governance Statement by way of this Annual Report.

4.4 Constitution and Regulations

- 4.4.1 The Constitution will be continue to be kept under review by the Monitoring Officer working closely with the Democratic Services Team.
- 4.4.2 It will be appropriate to continue to remind Members and staff of the importance of compliance with the Council's regulations, as set out in the Constitution and other policy framework documents, and the Monitoring Officer and other staff will give advice accordingly.

5. Overall opinion on the adequacy and effectiveness of the Governance framework

That the systems of internal control administered by the Monitoring Officer including the Code of Conduct and the Council's Constitution, were adequate and effective during the year between April 2016 and March 2017 for the purposes of the latest regulations (subject to the areas outlined above).

Emma Duncan
Monitoring Officer
31/3/17

Open	Would any decisions proposed :			
Any especially affected Wards	(a) Be entirely within Audit Committee's powers to decide YES			
None	(b) Need to be recommendations to Council/Cabinet NO			
	(c) Be partly for recommendations to Council NO and partly within Cabinets powers –			
Lead Member: Brian Long, E-mail: cllr.Brian.Long@West-Norfolk.gov.uk		Other Cabinet Members consulted: None		
		Other Members consulted: None		
Lead Officer: Toby Cowper E-mail: toby.cowper@west-norfolk.gov.uk Direct Dial: 01553 616523		Other Officers consulted: Lorraine Gore, Management Team		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications NO

Date of meeting: 4 September 2017

ANNUAL TREASURY OUTTURN REPORT 2016/2017

Summary

The Council has formally adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (2009) and remains fully compliant with its requirements.

This Annual Treasury Outturn Report looks backwards at 2016/2017 and covers:

1. The 2016/2016 Treasury Outturn
2. Compliance with Treasury Limits
3. Outturn Summary

Additional supporting information:

- Appendix 1 - Investments as at 31st March 2017
- Appendix 2 - Borrowing as at 31st March 2017
- Appendix 3 - Prudential Indicators
- Appendix 4 - Treasury Benchmarking Group
- Appendix 5 - The Economy 2016/2017

The Council's Treasury Policy Statement 2016/2017 and annual Treasury Strategy Statement 2016/2017 was approved by Cabinet on the 1 March 2016.

A copy of which can be found here: [Documents for Cabinet 1 March, 2016](#)

Recommendations

Audit Committee is asked to note the actual treasury outturn 2016/2017.

Reason for the Decision

The Council must make an annual review of its Treasury operation for the previous year, as part of the CIPFA code of Practice.

1. The 2016/2017 Treasury Outturn

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Council's Code of Practice on Treasury Management require that the Audit Committee consider an Annual Treasury Outturn Report.
- 1.2 During the year the Council maintained a cautious approach to investment and management of debt.
- 1.3 The Councils portfolio position as at 31 March 2017 was:

	31 March 2016 Actual £million	31 March 2017 Actual £million
Borrowing	17.20	13.00
Investments	(28.30)	(27.26)
Net Position	(11.10)	(14.26)

- 1.4 During the last quarter of 2016/2017 investments returned at an average return of 0.84%. This exceeding the benchmark rate which was 0.69%.

Details of the 'Treasury Benchmarking Group' can be found in *Appendix 4*

Budgeted Interest Receivable	Actual Interest Received
(£302,820)	(£428,449)

The positive variance is mostly due to an additional £75,000 of internal capital projects interest credited to the interest received account at year end.

- 1.5 During 2016/2017 interest on external debt was paid at an average rate of 2.72%.

Budgeted Interest Payable	Actual Interest Paid
£480,000	£468,014

Details of the investment portfolio as at the 31 March 2016 can be found in *Appendix 1*

Details of the borrowing portfolio as at the 31 March 2016 can be found in *Appendix 2*

2. Compliance with Treasury Limits

- 2.1 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement 2016/2017 and annual Treasury Strategy Statement 2016/2017. The outturn for the Prudential Indicators is shown in *Appendix 3*.

3. Outturn Summary - In summary the Council:

- 3.1 Did not pursue any debt rescheduling as long term loans were reviewed against future long term rates and early repayment penalties.
- 3.2 Ensured counterparty listings on our lending lists were maintained and updated regularly, and reported in monthly monitoring reports as necessary.
- 3.3 Ensured priority was given to security and liquidity in order to reduce counterparty risk. This was achieved by adopting Sector's methodology of using ratings from three agencies to provide the core element of the credit watch service with outlooks and credit default swaps spreads to give early warning signs of changes, and sovereign ratings to select counterparties.
- 3.4 Undertook benchmarking with other local Councils to ensure that experiences were shared and investment instruments were consistent, while maintaining good credit quality and security.

APPENDIX 1 - Investments as at 31st March 2017:

Institution	Principal	Start Date	End Date	Rate %	Ratings
BNP (Banque Nationale de Paris) – Money Market Fund	3,000,000	N/A	N/A	0.20	AAA
Natwest (RBS)	2,500,000	22/05/2015	22/05/2017	1.33	A
Santander	3,000,000	03/12/2017	31/05/2017	1.15	A
Qatar NB	3,000,000	01/06/2016	01/06/2017	1.05	AA-
Fife Council	3,000,000	12/11/2015	13/11/2017	0.95	A
Cheshire West & Chester Council	2,000,000	20/01/2016	19/01/2018	0.99	AAA
Great Yarmouth Borough Council	5,000,000	28/03/2017	27/03/2018	0.55	AAA
Bury Metro Borough Council	3,000,000	21/04/2016	23/04/2018	1.00	AAA
Gaywood Community Centre	10,200	20/07/2016	01/08/2021	1.00	
Total Investments	24,510,200				
Norfolk & Waveney Enterprise Services (LEP)*	2,750,000	Various	30/11/2018	1.80	
Total NWES Investments	2,750,000			1.80	
Total Overall Investments	27,260,200				

*see also Appendix 2 borrowings from Suffolk County Council

APPENDIX 2 - Borrowing as at 31st March 2017:

Start Date	End Date	Loan No	Value £	Institution	Rate	Term
			0	N/A		
Total Short Term			0			
22.03.07	21.03.77	5888	5,000,000	Barclays – fixed rate LOBO (lenders option, borrowers option)	3.81%	Long Term – fixed for initial 10 year period, and option to change every 5 years thereafter
12.04.07	11.04.77	5887	5,000,000	Barclays – fixed rate LOBO (lenders option, borrowers option)	3.81%	Long Term - fixed for initial 10 year period, and option to change every 5 years thereafter
15.09.09	14.09.19	495951	500,000	PWLB	2.92%	Long Term – fixed for 10 years
27.03.14	30.11.18	3789	2,500,000	Suffolk County Council (LEP)	1.80%	**see note below
Total Long Term			13,000,000			
Total Borrowing			13,000,000			

**A loan was taken out, on behalf of Norfolk and Waveney Enterprise Services Ltd (NWES), with Suffolk County Council for the Local Enterprise Partnership. A corresponding investment is shown in Appendix 1 with NWES at the same rate of interest (£500,000 drawn down in 2013/2014, a further £274,275 followed in 2014/2015, with the remainder in 2015/2016).

APPENDIX 3: Prudential Indicators

PRUDENTIAL INDICATOR	2015/2016 Actual £'000	2016/2017 Actual £'000
Capital Expenditure	11,218	19,469
Ratio of financing costs to net revenue stream	2.24%	1.94%
Net borrowing		
brought forward 1 April	13,400	17,200
carried forward 31 March	17,200	13,000
Change in year	3,800	(4,200)
Net Investment		
brought forward 1 April	(26,625)	(28,300)
carried forward 31 March	(28,300)	(27,260)
Change in year	(1,675)	1,040

Capital Financing Requirement

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2016/2017 unfinanced capital expenditure, and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources

CFR	31 March 2016 Actual £000's	31 March 2017 Actual £000's
Opening Balance	18,590	17,988
Add unfinanced capital expenditure	582	10,803
Less MRP	(306)	(320)
Less voluntary/additional MRP	(863)	(925)
Less finance lease repayments (where the Council is the lessor)	(15)	(15)
Closing CFR	17,988	27,531

Net borrowing and the CFR

In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2016/2017 plus the expected changes to the CFR over 2017/18 and 2018/19. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2016/2017. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

CFR	31 March 2016 Actual £million	31 March 2017 Actual £million
Borrowing	17.20	13.00
Investments	(28.30)	(27.26)
Net Position	(11.10)	(14.26)
Closing CFR	17.99	27.53

Actual financing costs as a proportion of net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream (Council Tax and Government Grant).

	2016/2017
Authorised limit	£35m
Maximum gross borrowing position	18.2%
Operational boundary	£30m
Average gross borrowing position	14.2%
Financing costs as a proportion of net revenue stream	1.94%

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2015/2016 £'000	2015/2017 £'000
Authorised limit for external debt -		
Borrowing	35,000	35,000
Operational boundary for external debt -		
Borrowing	30,000	30,000
Upper limit for fixed interest rate exposure		
Net principal re fixed rate borrowing /investments	35,000	35,000
Upper limit for variable rate exposure		
Net principal re variable rate borrowing / investments	25,000	20,000

Maturity structure of fixed rate borrowing during 2016/2017	upper limit	lower limit
under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

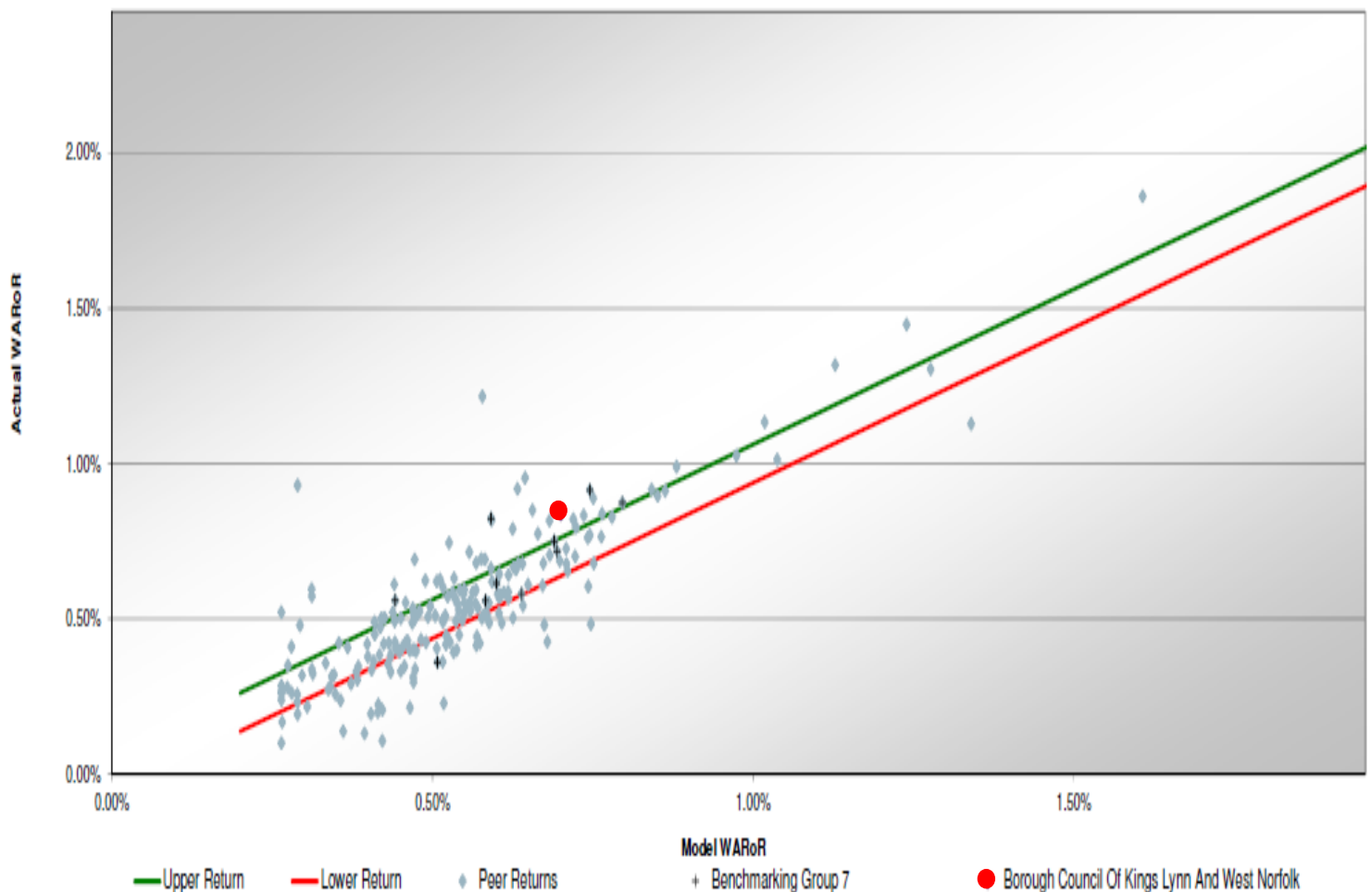
APPENDIX 4: Treasury Benchmarking Group

The Council is also a member of a Treasury Benchmarking Group, where Capita Treasury clients from neighbouring authorities (including those in Norfolk, Suffolk and Cambridgeshire) meet to discuss treasury instruments relevant to their authority and discuss ideas for borrowing and investments.

All authorities want to try to maximise their returns, whilst maintaining good credit quality and security during the difficult financial climate. In addition to this, percentage rate returns are disclosed at each quarterly meeting.

As at the 31/03/2017 Councils return of 0.84% is higher than the average return for the group of 0.69%.

Population Returns against Model Returns



	Actual WARoR	Model WARoR	Difference	Lower Bound	Upper Bound	Performance
Borough Council Of Kings Lynn And West Norfolk	0.84%	0.70%	0.14%	0.64%	0.76%	Above

APPENDIX 5: The Economy 2016/2017 and Investment Rates

The two major landmark events that had a significant influence on financial markets in the 2016-17 financial year were the UK EU referendum on 23 June and the election of President Trump in the USA on 9 November. The first event had an immediate impact in terms of market expectations of when the first increase in Bank Rate would happen, pushing it back from quarter 3 2018 to quarter 4 2019. At its 4 August meeting, the Monetary Policy Committee (MPC) cut Bank Rate from 0.5% to 0.25% and the Bank of England's Inflation Report produced forecasts warning of a major shock to economic activity in the UK, which would cause economic growth to fall almost to zero in the second half of 2016. The MPC also warned that it would be considering cutting Bank Rate again towards the end of 2016 in order to support growth. In addition, it restarted quantitative easing with purchases of £60bn of gilts and £10bn of corporate bonds, and also introduced the Term Funding Scheme whereby potentially £100bn of cheap financing was made available to banks.

In the second half of 2016, the UK economy confounded the Bank's pessimistic forecasts of August. After a disappointing quarter 1 of only +0.2% GDP growth, the three subsequent quarters of 2016 came in at +0.6%, +0.5% and +0.7% to produce an annual growth for 2016 overall, compared to 2015, of no less than 1.8%, which was very nearly the fastest rate of growth of any of the G7 countries. Needless to say, this meant that the MPC did not cut Bank Rate again after August but, since then, inflation has risen rapidly due to the effects of the sharp devaluation of sterling after the referendum. By the end of March 2017, sterling was 17% down against the dollar but had not fallen as far against the euro. In February 2017, the latest CPI inflation figure had risen to 2.3%, above the MPC's inflation target of 2%. However, the MPC's view was that it would look through near term supply side driven inflation, (i.e. not raise Bank Rate), caused by sterling's devaluation, despite forecasting that inflation would reach nearly 3% during 2017 and 2018. This outlook, however, is dependent on domestically generated inflation, (i.e. wage inflation), continuing to remain subdued despite the fact that unemployment is at historically very low levels and is on a downward trend. Market expectations for the first increase in Bank Rate moved forward to quarter 3 2018 by the end of March 2017 in response to increasing concerns around inflation.

USA. Quarterly growth in the US has been very volatile during 2016 but a strong performance since mid-2016, and strongly rising inflation, prompted the Fed into raising rates in December 2016 and March 2017. The US is the first major western country to start on a progressive upswing in rates. Overall growth in 2016 was 1.6%.

EU. The EU is furthest away from an upswing in rates; the European Central Bank (ECB) has cut rates into negative territory, provided huge tranches of cheap financing and been doing major quantitative easing purchases of debt during 2016-17 in order to boost growth from consistently weak levels, and to get inflation up from near zero towards its target of 2%. These purchases have resulted in depressed bond yields in the EU, but, towards the end of 2016, yields rose, probably due at least in part to rising political concerns around the positive prospects for populist parties and impending general elections in 2017 in the Netherlands, France and Germany. The action taken by the ECB has resulted in economic growth improving significantly in the eurozone to an overall figure of 1.7% for 2016, with Germany achieving a rate of 1.9% as the fastest growing G7 country.

On the other hand, President Trump's election and promise of fiscal stimulus, which are likely to increase growth and inflationary pressures in the US, have resulted in Treasury yields rising sharply since his election. Gilt yields in the UK have been caught between these two influences and the result is that the gap in yield between US treasuries and UK gilts has widened sharply during 2016/17 due to market perceptions that the UK is still likely to be two years behind the US in starting on an upswing in rates despite a track record of four years of strong growth.

Japan struggled to stimulate consistent significant growth with GDP averaging only 1.0% in 2016 with current indications pointing to a similar figure for 2017. It is also struggling to get inflation up to its target of 2%, only achieving an average of -0.1% in 2016, despite huge monetary and fiscal stimulus, though this is currently expected to increase to around 1% in 2017. It is also making little progress on fundamental reform of the economy.

China and emerging market countries. At the start of 2016, there were considerable fears that China's economic growth could be heading towards a hard landing, which could then destabilise some emerging market countries particularly exposed to a Chinese economic slowdown and / or to the effects of a major reduction in revenue from low oil prices. These fears have largely subsided and oil prices have partially recovered so, overall, world growth prospects have improved during the year.

Equity markets. The result of the referendum, and the consequent devaluation of sterling, boosted the shares of many FTSE 100 companies which had major earnings which were not denominated in sterling. The overall trend since then has been steeply upwards and received further momentum after Donald Trump was elected President as he had promised a major fiscal stimulus to boost the US economy and growth rate.

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	4 th September 2017		
TITLE:	Internal Audit Terms of Reference update		
TYPE OF REPORT:	Scrutiny		
PORTFOLIO(S):	Performance		
REPORT AUTHOR:	Kathy Woodward, Shared Internal Audit Manager		
OPEN		WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
The Internal Audit Terms of Reference were last reviewed in 2013/14 and are therefore overdue a review as part of the three year review process. The documents have been reviewed and the results are presented to the Committee to consider and comment on before they are adopted by the team.
The Changes mainly relate to:
<ul style="list-style-type: none"> • Development of a Quality Assurance Improvement Programme (QAIP). • Deletion of the Deputy Chief Executive role and transfer of responsibilities to Executive Director (S151 Officer) • Change in title from 'Audit and Risk Committee' to 'Audit Committee' • Updates in relation to the Accounts and Audit Regulations 2015 • Minor corrections to grammar and spelling
OPTIONS CONSIDERED:
<p>1. Adopt the revised Internal Audit Terms of Reference to ensure the Council has relevant and up-to-date procedures and policies.</p> <p>2. Remain with the existing Internal Audit Terms of Reference, which are no longer fully relevant or fit for purpose.</p>
RECOMMENDATIONS:
To consider the changes made to the Internal Audit Terms of Reference and recommend approval for adoption of these revised documents.
REASONS FOR RECOMMENDATIONS:
To bring the documents up-to-date with the Council's current requirements and to comply with the requirements of the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS).

1.0 Introduction and Background

- 1.1 The internal audit terms of reference describe the purpose, authority and principal responsibility of the Council's Internal Audit section.
- 1.2 The Accounts and Audit Regulations 2015 require that a council must *'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'*.
- 1.3 Internal Audit are required to comply with the Public Sector Internal Audit Standards (PSIAS) in undertaking its work. The Internal Audit Section will follow the guidance in this document as 'proper practice' in the provision of the Internal Audit Service to the Council.

2.0 Details

- 2.1 The proposed revisions are shown on the attached Terms of Reference (**Appendix 1**).
- 2.2 The main changes relate to the development of a Quality Assurance and Improvement Programme (QAIP) to provide assurance of Internal Audit's continuing compliance with the requirements of the PSIAS (**Appendix 2**).
- 2.3 Other minor changes have been made to update relevant legislation dates and changes in job and committee titles. Section 1 has also been updated to display more clarity around the location of Internal Audit within the authority and its reporting responsibilities.
- 2.4 A new review date of May 2020 has been set.

3.0 Outcomes

- 3.1 To complete the review and approve the updated Terms of Reference to ensure the continued relevance of the Internal Audit section and compliance with relevant legislation.

Policy Implications

There are no policy implications.

Financial Implications

There are no financial implications.

Staffing Implications

There are no staffing implications.

Statutory Considerations

There are two principal pieces of legislation that impact upon local authority internal audit provision:

- S 151 of the Local Government Act 1972 – requires the Council to ensure that one of the officers has responsibility for the proper administration of its financial affairs.
- Section 5 of the Accounts and Audit Regulations 2015 (as amended) – states that a relevant body must *'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'*.

Equalities Considerations

There are no equalities implications.

Risk Management

There are no risk implications.

Background Papers

Public Sector Internal Audit Standards (PSIAS)

Accounts and Audit (England) Regulations 2015.



Internal Audit Terms of Reference

1. Introduction

- 1.1 These Internal Audit Terms of Reference describe the purpose, authority and principal responsibilities of the Councils' Internal Audit Section.
- 1.2 Internal Audit are required to comply with the Public Sector Internal Audit Standards (PSIAS) in undertaking its work. The Internal Audit Section will follow the guidance in this document as 'proper practice' in the provision of the Internal Audit Service to the Council. A Quality Assurance and Improvement Programme (QAIP) has been developed to provide assurance of Internal Audit's continuing compliance with the requirements of the PSIAS (**Appendix 1**).
- 1.3 The Audit Committee is the 'Board' for the purposes of the internal audit activity. The Internal Audit Manager shall report functionally to the Audit Committee on:
 - Internal Audit Terms of Reference
 - The annual risk based plan, including adequacy of resource
 - Performance of the Internal Audit Team
 - The opinion on assurance as to levels of internal control
- 1.4 Internal Audit is located within Finance Resources and the Audit Manager reports directly to the Executive Director, Finance Services, who is a member of the Management Team. The Management Team is the 'Senior Management' of the Council for the purposes of the internal audit activity.
- 1.5 The Internal Audit Manager, in consultation with the Executive Director, Finance Services will meet with the Audit Committee to discuss governance and risk. If required, the Internal Audit Manager can meet in private with the Audit Committee, as provided for in the Committee's terms of reference.
- 1.6 The Terms of Reference for Internal Audit need to be reviewed every three years and the results presented to the Audit Committee (or subsequent body) for approval. Next review is due – **May 2020**.

2. Scope and Objectives Internal Audit

- 2.1 Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control system as a service to that organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic and effective use of resources and management of business risks.
- 2.2 The scope of Internal Audit's remit includes the Council's entire control environment. In determining where effort should be concentrated, the Audit Manager will take account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving the Council's objectives. This scope encompasses any work undertaken either by a partnership agreement or under contract to the Council.
- 2.3 Internal Audit's objectives are to:
- Provide an independent and objective internal audit service that helps the Council to meet its stated objectives
 - Support the Executive Director, Finance Services in the discharge of her duties as Section 151 Officer (the officer responsible for the proper administration of the financial affairs of the authority).
 - support and assist in embedding corporate governance, effective internal controls and risk management throughout the Council
 - help to identify areas for improvement and make recommendations to address these
 - offer advice and assurance on achieving effective internal controls
 - comply with the Public Sector Internal Audit Standards (PSIAS).
- 2.4 In order to carry out its role effectively, Internal Audit has unrestricted access to all records and assets deemed necessary to the Audit Manager. This right of access is included in the Council's Financial Regulations.
- 2.5 Channels of communication with Members are set out in the Member/Officer Protocol June 2009. In addition, where necessary, the Audit Manager has unrestricted access to:
- The Chief Executive
 - Members, including the Leader of the Council
 - Individual Executive Directors
 - All Other Employees
- 2.6 Internal Audit may provide advice, facilitation or training to assist managers in meeting the objectives of the Council. When performing consulting services the internal auditor should maintain objectivity and not assume management responsibility.

2.7 Internal Audit does not have responsibility for the prevention or detection of fraud and corruption. Internal Auditors should, however, be alert in all their work to risks and exposures that could allow fraud or corruption and to any indications that fraud or corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected.

2.8 Internal Audit shall be informed of allegations of fraud, in accordance with the Anti-Fraud and Anti-Corruption Strategy. The Audit Manager, along with other relevant officers as stated in the Strategy, will assess the allegation and determine the required course of action.

3. Independence

3.1 In order to achieve its objectives effectively, Internal Audit must be seen to be independent. This is achieved by:

- The organisational status and the objectivity of Internal Audit
- Ability to report to all senior management and to members.
- Not being part of the systems and procedures being audited.
- Where internal audit is asked to provide any services in a consultancy role, this should be made clear in the project brief

3.2 Audit advice and recommendations, including where Internal Audit has been consulted about significant changes to the internal control systems, are given without prejudice to the right of Internal Audit to review and make further recommendations on the relevant policies, procedures, controls, and operations at a later date.

3.3 Individual auditors should have an impartial, unbiased attitude, characterised by integrity and an objective approach to work, and should avoid conflicts of interest. They should not allow external factors to compromise their professional judgement.

3.4 An Internal Auditor should not undertake an audit covering an area where the auditor has a competing professional or personal interest. Any such conflicts should be notified to the Audit Manager who will consider if the audit should be reallocated to another auditor.

4. Authority

4.1 There are two principal pieces of legislation that impact upon local authority internal audit provision:

- S 151 of the Local Government Act 1972 – requires the Council to ensure that one of the officers has responsibility for the proper administration of its financial affairs.

- Section 5 of the Accounts and Audit Regulations 2015 (as amended) – states that a relevant body must *'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'*.
- 4.2 Internal Audit is also governed by policies, procedures, rules and regulations established by the Council. These include Financial Regulations, Contract Standing Orders, Conditions of service, codes of conduct and anti-fraud and anti-corruption strategies.
- 4.3 Where key services are to be provided to the Council by other contractors or through a partnership, in order for internal audit to form an opinion on the controls operating, a right of access to relevant information and documents should be included in contracts or agreements concerned.
- 4.4 Any officer or Member of the Council must, if required:
- Make available such documents of the Council which relate to its accounting and other records as appear to the auditor to be necessary for the purposes of the audit or investigation;
 - Supply any auditor (both internal and external) with such information and explanation as the auditor considers necessary for their purpose;
 - Allow entry to auditors (both internal and external) at all reasonable times to any Council premises or land;
 - Produce to auditors (both internal and external) cash, stores or any other Council property or records under their control.

5. Internal Audit Responsibility

- 5.1 The main areas of Internal Audit responsibility are to:
- a. Review, appraise and report on:
- The soundness, adequacy and application of internal controls;
 - The reliability of systems for ensuring that expenditure is properly authorised/incurred and income is properly/promptly brought into account;
 - The extent to which the assets and interests are accounted for and safeguarded from loss;
 - The suitability and reliability of financial and other management data;
 - The Economy, Efficiency and Effectiveness of systems and procedures.

- b. Assist line management to investigate all frauds and irregularities, whilst acknowledging that managing the risk of fraud and corruption is the primary responsibility of management.
- c. To assist in the review and reporting on the effectiveness of the operation of the Council's Local Code of Corporate Governance and to promote good standards of Corporate Governance, including the review of Financial Regulations and Contract Standing Orders.
- d. To contribute to the production of the Council's Annual Governance Statement, required under Regulation 5 of the Accounts and Audit Regulations 2015 (as amended).
- e. Advise on internal control implications of new systems.
- f. Where either:
 - Key systems are being operated, or key systems provided by other organisations on behalf of the Council or
 - Key systems are being operated, or key systems provided, on behalf of other organisations by the Council

the Audit Manager will decide, in consultation with all parties, whether Internal Audit conduct the work to derive the required opinions on the reliability of systems and controls or should rely on the opinion provided by other auditors.

6. Audit Style and Content

- 6.1 The primary task of Internal Audit is to review systems of internal control operating throughout the Council, and in this will adopt a predominantly risk – based approach to the audit. The Audit Manager will manage the provision of the Internal Audit service to the Council by:
- Preparing a rolling five-year strategic audit plan for approval by the Audit Committee and the Executive Director, Finance Services.
 - Translating the strategic plan into annual plans for agreement by the Executive Director, Finance Services.
 - Ensuring audit work is supervised, recorded and reported.
 - Preparing an annual report on the work of internal audit for agreement with the Executive Director, Finance Services and then for submission to the Audit Committee, giving an overall opinion on the reliability of the system of Internal control.

7. Audit Reporting

- 7.1 All audits will result in the issue of formal reports. Reports will be issued to the relevant Executive Director, Service Manager and relevant staff and copied to the Chief Executive, the relevant Cabinet Portfolio Holder, the Executive Director, Finance Services, and a copy placed on InSite, where it will be made accessible to members of the Audit Committee and other Executive Directors. The Audit Manager will make regular progress reports to the Audit Committee summarising all internal audit reports issued.
- 7.2 In addition, all audits will be followed up approximately six months from the issue of the final audit report, in order to ascertain progress on agreed recommendations. A report (a follow-up report) will then be issued to the previous recipients (as outlined in 7.1 above) and summary information provided to the Audit Committee as part of the Audit Manager's report on progress against the annual audit plan.

8. Audit Resources

- 8.1 The staffing of the Internal Audit Section will be kept under review by the Executive Director, Finance Services and the Audit Manager, bearing in mind the resource requirements identified in the strategic audit plan and the overall needs of the Council.
- 8.2 If the Audit Manager or those charged with governance consider that the level of audit resources or the terms of reference in any way limit the scope of Internal Audit, or prejudice the ability of Internal Audit to deliver a service consistent with the definition of internal audit, they should advise the Council accordingly.

Internal Audit Quality Assurance and Improvement Programme

Introduction

Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to the various stakeholders (the Audit Committee, Management Team, the external Auditor and Service Managers) that Internal Audit:

- Performs its work in accordance with its Terms of Reference, which is consistent with the Public Sector Internal Audit Standards (PSIAS);
- Operates in an efficient and effective manner;
- Is adding value and continually improving Internal Audit operations.

The Audit Manager is ultimately responsible for the QAIP, which covers all areas of Internal Audit activities. The QAIP must include both internal and external assessments. Internal assessments are both ongoing and periodic, and external assessments must be undertaken at least once every five years.

Internal Assessment

Ongoing reviews

Ongoing reviews provide assurance that the processes in place are working effectively to ensure that quality is delivered on an audit by audit basis. This includes continuous monitoring of:

- Engagement planning and supervision (preapproval of the audit scope, budgeted hours and assignment of staff);
- Standard working practices (including working paper templates, file review and report sign-off);
- Application of the procedures contained in the Audit Manual to ensure compliance with applicable planning, fieldwork and reporting standards;
- Feedback from customer surveys for each audit;
- Analysis of Key Performance Indicators established to monitor Internal Audit effectiveness and efficiency.

Periodic reviews

Periodic assessments are designed to assess conformance with Internal Audit's Terms of Reference and the efficiency and effectiveness of internal audit. Periodic assessments will be conducted through:

- File reviews of each audit at draft report stage;
- Monthly team meetings to assess progress against plan, discuss any issues arising with audits and identify any forthcoming issues;
- Training needs assessment as part of the corporate Performance Management process;
- Regular reports to Audit Committee on progress against plan, other work undertaken and any identified changes to the audit plan for the year;
- Annual self-assessment of conformance with the PSIAS.

External Assessment

External assessments will appraise and express an opinion about Internal Audit's conformance with the PSIAS, and include recommendations for improvement as appropriate.

An external assessment will be conducted every five years by a qualified, independent assessor from outside the Council. The assessment will be in the form of a full external assessment, or a self-assessment with independent external validation. The format of the external assessment will be agreed by the Executive Director, Finance Services and the Audit Committee.

Reporting

Internal assessments will be reported to the Audit Committee as part of the progress reports, and on an annual basis in the Audit Managers Annual Report and Opinion.

External assessments will be reported to the Audit Committee when a full copy of the external assessors report will be presented, together with an action plan from the Audit Manager to address any recommendations.

Follow-up on any agreed actions will be included in Annual Report and Opinion to the Audit Committee.

AUDIT COMMITTEE WORK PROGRAMME 2017/2018

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
30 May 2017	Training – How to undertake an Audit		G Adam	
30 May 2017	Draft Annual Governance Statement		V Dunmall	To receive and note the draft Annual Governance Statement 2017.
30 May 2017	Corporate Risk Register Monitoring Report	Monitoring	V Dunmall	To note the report which presents the changes to the Risk Register since the last report.
30 May 2017	Internal Audit Annual Report and Opinion 2016/2017	Annual	K Woodward	To receive the Audit Manager's Annual Report.
30 May 2017	Internal Audit Full Year Progress Report 2016/2017		K Woodward	To note the report.
30 May 2017	Audit Committee Effectiveness Report	Cabinet	K Woodward	To review the work of the Audit Committee during 2016/2017 and consider if the Committee has effectively fulfilled its role.
19 June 2017	MEETING CANCELLED Training - Statement of Accounts		L Gore/ T Cowper	All Members have been invited to attend.

31 July 2017	Statement of Accounts		L Gore	To approve the Statement of Accounts 2016/2017
31 July 2017	External ISA 260 Report		L Gore	To note the comments of the External Auditor.
31 July 2017	Annual Governance Statement		V Dunmall	To approve the Annual Governance Statement 2017.
31 July 2017	External Auditor appointment for Grant Certification work.		K Woodward	
4 September 2017	Presentation on IT back-up systems		R Godfrey	At their meeting on 30 May 2017, the Committee resolved that the ICT Manager be invited to attend a meeting to give a presentation on the back-up systems operated by the Council.
4 September 2017	Monitoring Officer Report 2016/2017	Annual	E Duncan	To receive the Annual Monitoring Officer Report.
4 September 2017	Update – Internal Audit Terms of Reference		K Woodward	To receive an update report
4 September 2017	Treasury Outturn Report		T Cowper	
27 November 2017	Training – Budget	Training Session for Audit Committee	L Gore/ T Cowper	

27 November 2017	Business Continuity	Annual Update	D Robson	To receive an annual update report.
27 November 2017	Internal Audit Half Year Progress Report	Monitoring	K Woodward	To receive the half year progress report.
27 November 2017	Corporate Risk Register Monitoring Report	Monitoring	B Box	To note the report which presents the changes to the Risk Register since the last report.
27 November 2017	Mid Year Treasury Report	Mid Year	T Cowper	
12 February 2018	Update/Training: <ul style="list-style-type: none"> • Business Rates Retention • Review of Funding • Cost Reduction 	Update/ Training		
12 February 2018	Strategic Internal Audit Plan		K Woodward	To provide the Committee with the opportunity to review the proposed Strategic Audit Plan 2017 - 2022