

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Cllr Peter Hodson E-mail: <a href="mailto:cldr.Pater.Hodson@west-norfolk.gov.uk">cldr.Pater.Hodson@west-norfolk.gov.uk</a> Cllr David Pope E-mail:		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Kathy Woodward E-mail: <a href="mailto:kathy.woodward@west-norfolk.gov.uk">kathy.woodward@west-norfolk.gov.uk</a> Direct Dial: 01553 616252		Other Officers consulted: Assistant Director, Resources Democratic Services Manager Democratic Services Officer		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 1 August 2017

### Review of the Effectiveness of the Audit and Risk Committee 2016-17

#### Summary

This report provides Cabinet with the results of the 'Review of the Effectiveness of the Audit Committee' for 2016-17 and confirms that the Committee is fulfilling its stated purpose which is 'to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process'.

#### Recommendation

To consider and accept the evidence presented in the report as confirming that the Audit Committee operated effectively during 2016-17.

#### Reason for Decision

To ensure the Council continues to meet its obligations under the Accounts and Audit Regulations 2015.

## **REPORT DETAIL**

### **1.0 BACKGROUND**

- 1.1 The Audit Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were reviewed and updated as part of the review of the scrutiny arrangements in June 2016.
- 1.2 Under the Accounts and Audit Regulations 2015, a council is required to *'ensure that it has a sound system of internal control which:*
- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;*
- (b) ensures that the financial and operational management of the authority is effective; and*
- (c) includes effective arrangements for the management of risk.'*
- 1.3 Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting. This assurance is best delivered by a committee that is independent from the executive and scrutiny functions. This was provided by the Audit Committee during 2016/17.
- 1.4 In order to ensure that this monitoring of governance is carried out effectively, a regular review of the role and activities of the Audit Committee is necessary.

### **2.0 REVIEW DETAILS**

- 2.1 The review was completed by the Audit Manager using a checklist compiled by CIPFA. The completed checklist is attached as **Appendix 1** of this report. In addition information has been compiled on the reports considered by the Committee and attached as **Appendix 2**. The resulting draft report was then considered by the Chair and Vice Chair of the Audit Committee.
- 2.2 The responses in the checklist are ticked as:
- 'Y' – Yes. The criteria have been met and no action is required.
  - 'P' – Partial. The criteria have only been met in part, some action may be required.
  - 'N' – No. The criteria have not been met and action may be required

### **3.0 ITEMS CONSIDERED DURING 2016-17**

3.1 Throughout 2016-17 the Audit Committee held 6 meetings and received a total of 25 reports on a number of issues, including:

#### **Internal Audit and Fraud**

- Internal Audit Annual Report and Opinion 2015-16
- Internal Audit Plan 2015-16 – End of year progress report
- Exempt report – Internal Audit Service
- Audit and Fraud half year progress report
- Strategic Internal Audit Plan 2017-22

#### **External Audit**

- Annual Audit Letter for year ended 31 March 2016
- External Audit Plan
- Certification of Annual Claims and Returns Annual report 2015-16

#### **Finance**

- Capital Programme and Resources 2015-19
- Revenue Outturn 2015-16
- Annual Treasury Report
- Statement of Accounts 2015-16
- Mid-year Treasury Report
- Review of Financial Regulations
- Treasury Management Strategy 2017-18

#### **Corporate Governance and Risk**

- Corporate Risk Monitoring Report April 2016
- Annual Governance Statement
- Monitoring Officer Report 2015-16
- Audit Committee Effectiveness Review 2015-16
- Changes to the arrangements for the appointment of external auditors
- Business Continuity Annual Update
- Update on the Annual Governance Statement
- Risk Register Update October 2016
- Review of Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and Fraud Response Plan
- Exempt report – Risk based Verification Policy Update.

A summary of the content of each report and the subsequent discussion has been compiled by Democratic Services and is attached as **Appendix 2**.

3.2 The Committee received 4 training sessions during the year on:

- Role of the Audit Committee
- Presentation for Norfolk Pension Fund
- Annual Governance Statement
- Treasury Management

## **4.0 OUTCOMES**

4.1 The outcome of this report will be to:

- Show evidence that the Audit Committee is effective in its role.
- Satisfy the requirement of an annual review of the effectiveness of the Audit Committee.

## **5.0 CONCLUSIONS**

5.1 During 2016-17 the Audit Committee received and commented on all relevant reports and actively monitored risk and internal controls. As a result it is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2015.

## **6.0 RISK MANAGEMENT IMPLICATIONS**

Having an effective Audit and Risk Committee is an important element in the Council's risk management framework.

## **7.0 BACKGROUND PAPERS**

Accounts and Audit Regulations 2015.

## Audit and Risk Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
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1. ESTABLISHMENT, OPERATION AND DUTIES						
Role and Remit						
1.1	Does the audit committee have written Terms of Reference?	Y			The Terms of Reference were reviewed and approved by Council on 30 June 2016.	
1.2	Do the Terms of Reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y				
1.3	Are the Terms of Reference approved by the council and reviewed periodically?	Y			The next review is due in May 2019.	
1.4	Can the audit committee access other committees and full council as necessary?	Y			All Members attend Full Council and can attend any other Panel or Committee meeting under Standing Order 34.	
1.5	Does the authority's Annual Governance Statement include a description of the audit committee's establishment and activities?	Y			Section 4 'Review of Effectiveness' includes a description of the Audit and Risk Committee's function.	
1.6	Does the audit committee periodically assess its own effectiveness?	Y			An annual review is carried out.	
Membership, Induction and Training						
1.9	Has the membership of the audit committee been formally agreed and a quorum set?	Y			Formally appointed by Council. Quorum set through Standing Orders.	
1.10	Is the chair independent of the executive function?	Y				

**APPENDIX 1**

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

**For the year 2016-17**

**Audit and Risk Committee Self-Assessment Exercise**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.11	Has the audit committee chair previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			The Chair has attended all training offered to the Committee, which included Financial training.	
1.12	Are new audit committee members provided with appropriate induction?	Y			Training is offered to all Members by Democratic Services. The training is carried out prior to the start of a meeting to maximise participation.	
1.13	Have all member's skills and experiences been assessed and training given for identified gaps?		P		An analysis of skills and experiences is not carried out. However, a training programme has been designed to cover all previously identified training needs and Members can request specific training if necessary.	Continue to review Members training programme.
1.14	Has each member declared his or her business interests?	Y			Records of interests are kept by Democratic Services. A standing item of each agenda requires Members to declare any relevant interests.	
1.15	Are members sufficiently independent of other key committees of the council?	Y			Under the new Scrutiny arrangements the Audit Committee became an independent Committee from June 2016.	
<b>Meetings</b>						
1.16	Does the committee meet regularly?	Y			6 meetings were held in 2016-17. The programme for 2017-18 includes 6 planned meetings, but this may increase if the Committee needs to consider urgent reports in the intervening time.	
1.17	Do the Terms of Reference set out the frequency of meetings?	Y			Minimum of 4 meetings a year, but this can be increased if necessary.	

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**For the year 2016-17**

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No	Issue	Y	P	N	Evidence/ Comment	Action Required
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1.18	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			A calendar of meetings is published for each year and dates are co-ordinated with Cabinet and specific key events.	
1.19	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y			A record of attendance is kept by Democratic Services. Any persistent non-attendance is brought to the attention of the relevant party leader.	
1.20	Are members free and open without political influences being displayed?	Y				
1.21	Does the authority's s151 officer or deputy attend all meetings?	Y			All meetings were attended by the Assistant Director (s151 Officer), now Executive Director, Finance Services	
1.22	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Relevant officers attend to present the reports and answer questions.	
1.23	Are decisions reached promptly?	Y			A decision is made at the end of each item on the agenda.	

**2. INTERNAL CONTROL**

2.1	Does the audit committee consider the findings of the annual review of effectiveness of the system of internal control (as required by the Accounts and Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			Audit Manager's Annual Report for 2015-16 was presented on 11 July 2016, which included an assessment of the effectiveness of Internal Audit.	
2.2	Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	Y			AGS presented 5 September 2016 as a separate report from the Statement of Accounts 2015-16.	

## Audit and Risk Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
2.3	Does the audit committee consider how meaningful the Annual Governance Statement is?	Y			The Committee received a training session on the relevance and content of the AGS on 28 November 2016.	
2.4	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Various reports are presented to the Committee throughout the year relating to internal audit, external audit, finance, fraud, corporate governance and risk.	
2.5	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y				
2.6	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y			The report setting the Strategic Internal Audit Plan each year contains an explanation of the consideration of risk management in the planning process.	
2.7	Does the audit committee review the authority's strategic risk register at least annually?	Y			Update reports are presented twice a year in April/May and October/November.	
2.8	Does the audit committee monitor how the authority assesses risk?	Y			Included in the 6-monthly reports. Updates to the Risk Management Policy and Strategy are reviewed and approved by the Audit Committee.	
2.9	Do the audit committee's Terms of Reference include oversight of the risk management processes?	Y			Terms of Reference F.8 (a) and (b) refers.	
2.10	Does the audit committee take a role in overseeing anti-fraud and whistleblowing arrangements?	Y			Terms of Reference F.8 (a) refers.	

<b>3. FINANCIAL REPORTING &amp; REGULATORY MATTERS</b>
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## Borough Council of King's Lynn and West Norfolk

For the year 2016-17

## Audit and Risk Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
3.1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Terms of Reference F.7 (a) refers. The timetable of meetings includes provision for meetings in July to consider the Statement of Accounts.	
3.2	Does the audit committee consider specifically: <ul style="list-style-type: none"> <li>▪ The suitability of accounting policies and treatments</li> <li>▪ Major judgements made</li> <li>▪ Large write-offs</li> <li>▪ Changes in accounting treatment</li> <li>▪ The reasonableness of accounting estimates</li> <li>▪ The narrative aspects of reporting?</li> </ul>	Y			The financial reports presented cover all the aspects stated.	
3.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			Meeting in July.	
3.4	Does the audit committee review management's letter of representation?	Y			Management responses are included in the covering report to the external auditors report. The responses are also discussed at the meeting.	
3.5	Does the audit committee annually review the accounting policies of the authority?	Y			Included in the Statement of Accounts report.	
3.6	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			The Assistant Director (s151 Officer) and Group Accountant attended the relevant meetings to present the report and answer questions relating to the preparation of accounts. Training on the Closedown of	

## Audit and Risk Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
					Accounts is also provided immediately prior to the meeting.	
3.7	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Y			'Members Bulletin' is circulated to all Members, which contains general updates and circulars when they occur. For issues specifically relevant to the Committee, a report is presented.	
<b>4. INTERNAL AUDIT</b>						
4.1	Does the audit committee approve annually, and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			The Internal Audit Strategic Plan is presented in February each year for approval. Details of how the plan is compiled are included in the covering report. For the year 2016-17 the Plan was presented on 23 <sup>rd</sup> February 2016.	
4.2	Does internal audit have an appropriate reporting line to the audit committee?	Y			Direct access to the Chair is included in the revised Terms of Reference, along with the potential for Internal Audit to meet with the Committee, without Senior Management being present, if necessary.	
4.3	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Audit Manager?	Y			The Committee receives reports on progress against the Strategic Plan, and the Audit Manager presents the Annual Report in June/ July.	
4.4	Are follow-up audits by Internal Audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Included in the progress reports. Officers can be asked to attend the meetings to answer questions if progress is not satisfactory.	
4.5	Does the audit committee hold periodic private discussions with the Audit Manager?	Y			The facility is available within the Terms of Reference if required. No meetings were required during 2016/17.	

**APPENDIX 1**

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

**For the year 2016-17**

**Audit and Risk Committee Self-Assessment Exercise**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
4.6	Is there appropriate co-operation between the internal and external auditors?		P		Ernst and Young receive all Internal Audit reports, but adopt a substantive audit approach and perform their own tests.	No action required
4.7	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			Included in the Strategic Audit Plan report and the half-yearly progress reports.	
4.8	Has the audit committee evaluated whether its internal audit service complies with Public Sector Internal Audit Standards (PSIAS)?	Y			An external quality assessment was completed in 2014 by the Chartered Institute of Internal Auditors and the resulting report was presented to the Committee in October 2014. The next external review will be due in 2019. In intervening years an internal self-assessment is completed and made available to Members of the Audit Committee.	
4.9	Are internal audit performance measures monitored by the audit committee?	Y			Performance Indicators are set as part of the Strategic Plan and monitored in the progress reports.	
4.10	Has the audit committee considered the information it wishes to receive from internal audit?	Y			No requests for specific reports were made in 2016-17, although further information was provided in response to requests from Members.	
<b>5. EXTERNAL AUDIT</b>						
5.1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			Ernst Young attend meetings to present their reports and answer questions.	
5.2	Does the audit committee hold periodic private discussions with the external auditor?	Y			The facility is available within the Terms of Reference if required. No meetings were required during 2016/17.	
5.3	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			Report is presented at the meeting in July.	

## Audit and Risk Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
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5.4	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Recommendations are taken into account when preparing the Internal Audit Strategic Plan.	
5.5	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit inspection letter?	Y			Report to those charged with governance (ISA260) – 5 September 2016 Annual Audit Letter – 28 November 2016 Audit Plan 2016/17 – 13 February 2017 Certification of Claims and Returns Annual Report 2015/16 – 13 February 2017.	
5.6	Does the audit committee assess the performance of external audit?	Y			Considered as reports are presented.	

**6. ADMINISTRATION****Agenda Administration**

6.1	Does the audit committee have a delegated secretary from Committee/Member Services?	Y			Wendy Vincent, Democratic Services.	
6.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y			A timetable is set for the year detailing meeting dates and deadlines for reports to be submitted.	
6.3	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			Included in the timetable for the year.	
6.4	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?			N	'Any Other Business' is not an agenda item. Only 'Urgent Business' is accepted under Standing Order 7.	No action required.

**Papers**

## Audit and Risk Committee Self-Assessment Exercise

No	Issue	Y	P	N	Evidence/ Comment	Action Required
6.5	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y			The timetable is designed to ensure the timing and frequency of routine reports is appropriate. Ad hoc reports are presented as they arise and also in line with Cabinet requirements if necessary.	
6.6	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?			N	The format is a corporate template.	No action required.
<b>Actions Arising</b>						
6.7	Are minutes prepared and circulated promptly to the appropriate people?	Y			Minutes are produced within a week of the meeting.	
6.8	Do action points indicate who is to perform what and by when?	Y			If action is required.	

ISSUES DISCUSSED AT MEETINGS OF AUDIT COMMITTEE 2016 – 2017

Appendix 2

<u>Date of Meeting/Length of Meeting</u>	<u>Details</u>	<u>Outcome</u>
<b>20.06.16</b> (40 mins)		
A10: Capital Programme and Resources 2015/19	The Assistant Director presented the report which provided details of the outturn of the 2015/2016 Capital Programme and outlined amendments and rephrasing to the spending on schemes, revising the programme for 2016/2020.	<p><b>RESOLVED:</b> The Committee support the recommendations to Cabinet as follows:</p> <ol style="list-style-type: none"> <li>1) That Cabinet note the outturn of the Capital Programme for 2015/2016 of £13,924,624.</li> <li>2) That the financing arrangements for the 2015/2016 Capital Programme be noted.</li> <li>3) That Cabinet approve the revised 2016/2020 Capital Programme and financing as detailed in the report.</li> </ol>
A11: Revenue Outturn 2015/16	The Group Accountant presented the report which set out in summary the revenue outturn of 2015/2016 for the General Fund (council tax accounts). The report showed details of the major differences between actual costs/income and the revised estimates for 2016/2016 reported in February 2016 monitoring.	<p><b>RESOLVED:</b> The Committee support the recommendation to Cabinet as follows:</p> <p>It is recommended that Cabinet approves:</p> <p>The revenue outturn and proposed transfers to reserves for 2015/2016.</p>
<b>11.07.16</b> (86 mins)		
A21: Corporate Risk Monitoring Report April 2016	The Audit Manager presented the report which set out the changes to the Risk Register since the last monitoring report in October 2015 and gave details of the risks falling into the 'Very High' category and the associated work to mitigate the effects.	<b>RESOLVED:</b> The Committee noted the report.

A22: Internal Audit Annual Report and Opinion 2015/16	The Audit Manager presented the report which provided Members with an overview of the work undertaken by the Internal Audit Section during the 2015/2016 Financial Year and provided an assurance opinion to support the Annual Governance Statement.	<b>RESOLVED:</b> The Committee noted the report.
A23: Internal Audit Plan 2015/16 – End of Year Progress Report	The Audit Manager presented the report which showed the Internal Audit activity against the Strategy Audit Plan and fraud work for the second half of 2015/2016.	<b>RESOLVED:</b> The Committee noted the report.
A24: Annual Treasury Report	<p>The Group Accountant explained that the Annual Treasury Outturn Report looked backwards at 2015/2016 and covered:</p> <ul style="list-style-type: none"> <li>• The 2015/2016 Treasury Outturn.</li> <li>• Compliance with Treasury Limited.</li> <li>• Outturn Summary.</li> <li>• Implications of the Brexit Vote.</li> </ul>	<b>RESOLVED:</b> The Audit Committee noted the Actual Treasury Outturn 2015/2016.
A26: Exempt Report: Internal Audit Service	The Assistant Director presented the report that outlined the proposal for the provision of a shared Internal Audit Manager between King's Lynn and West Norfolk Borough Council and Fenland District Council.	<b>RESOLVED:</b> The Audit Committee considered the proposals outlined in the report and supported the preferred option for the provision of a shared Internal Audit Manager with Fenland District Council.
<b>05.09.16 (75 mins)</b>		
A37: Statement of Accounts 2015/2016	<p>M Hodgson presented the ISA 260 for the year ended 31 March 2016.</p> <p>The Committee received the Statement of Accounts which was the statement of the final accounts set out in a format which included the Council's Balance Sheet and associated notes.</p>	<p><b>RESOLVED:</b> The Audit Committee</p> <ol style="list-style-type: none"> <li>1) Considered the comments of the Auditor in the ISA260.</li> <li>2) Approved the Statement of Accounts for 2015/2016.</li> <li>3) The Chairman to sign the Statement of Accounts and the Letter of Representation on behalf of the Borough Council of King's Lynn and West Norfolk.</li> </ol>

A38: Annual Governance Statement	The Performance and Efficiency Manager explained that the Annual Governance Statement was prepared in accordance with the Accounts and Audit Regulations 2015 and was linked closely to the Statement of Accounts.	<b>RESOLVED:</b> The Audit Committee:  1) Confirmed that the 2016 Annual Governance Statement properly reflected the risk environment and that actions required to improve it were in hand. 2) Approved the 2016 Annual Governance Statement and confirmed that the Chairman of the Audit Committee should sign accordingly.
A39: Monitoring Officer Report 2015/2016	The Monitoring Officer presented the Annual Report for 2015/2016 and highlighted that during the year between April 2015 and March 2016 a total of 27 complaints had been received and that in a significant proportion of those cases there was either no breach identified or the members concerned were offered guidance and assistance. No cases had been referred for investigation.	<b>RESOLVED:</b> The Committee noted the Monitoring Officer Annual Report for 2015/2016.
A40: Audit Committee Effectiveness Review	The Audit Manager presented the report which reviewed the work of the Audit Committee during the year 2015/2016 and considered if the Committee had effectively fulfilled its role.	<b>RESOLVED:</b> That the Audit Committee:  1) Considered the content of the report and decided it accurately reflected the work of the Committee in 2016/2016. 2) Confirmed their agreement to the Chairman taking the report to Cabinet as evidence that the Committee operated effectively.
A41: Changes to Arrangements for Appointment of External Auditors	The Audit Manager presented the report which summarised the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/2018 audits.	<b>RESOLVED:</b> The Committee recommended Option 3. The Council to indicate its intention to “opt-in” to the procurement process by Public Sector Audit Appointments Ltd (PSAA), as the national sector Led Body.



<b>17.10.16</b> (102 mins)		
A50: Role of the Audit Committee (Training)	The Committee received a presentation on The Role of the Audit Committee from the Auditor. A copy is attached to the minutes.	
A51: Presentation from Norfolk Pension Fund	The Committee received a presentation from Alex Younger, Investment and Actuarial Services Manager from the Norfolk Pension Fund Service. A copy is attached to the minutes.	
A52: Business Continuity Annual Update	The Environmental Services Manager presented the report which outlined the current position of the Council's Business Continuity arrangements, summarised progress made since the last update and described work that was planned to be undertaken over the coming months.	<b>RESOLVED:</b> 1) The Committee reviewed the progress made and endorsed the approach being taken to the Council's Business Continuity arrangements.  2) The Committee confirmed it wished to receive an annual update report.
<b>28.11.16</b> (95 mins)		
A62: Annual Governance Statement (Training)	The Committee received a presentation from the Performance and Efficiency Manager on the Annual Governance Statement. A copy of which is attached to the Minutes.	
A63: Update on the Annual Governance Statement	The Committee noted the progress with the Action Plan, which consisted of 11 actions. One entry had been completed, the remaining 10 were on track to be completed by the target date of March 2017.	<b>RESOLVED:</b> That the Committee noted the progress made and endorsed the approach being taken to achieve the actions on the Council's 2016/17 AGS Action Plan.
A64: Annual Audit Letter for year ended 31 March 2016	Sappho Powell, Ernst and Young presented the Annual Audit Letter for the year ended 31 March 2016.	<b>RESOLVED:</b> That the Annual Audit Letter for year ended 31 March 2016 be noted.

A65: Mid Year Treasury Report	<p>The Mid-Year review report had been prepared in compliance with CIPFA's Code of Practice, and covered the following:</p> <ul style="list-style-type: none"> <li>• A review of the Treasury Management Strategy.</li> <li>• The Council's capital expenditure (prudential indicators).</li> <li>• An economic update for the first six months of 2016/2017.</li> </ul>	<b>RESOLVED:</b> That the Committee reviewed the report and the treasury activity.
A66: Audit and Fraud Half Year Progress Report	The Committee received a report which showed the Internal Audit activity against the Strategy Audit Plan 2016/17 and fraud work for April to October 2016.	<b>RESOLVED:</b> That the Committee notes the work completed and was satisfied with the progress against the agreed plan.
A67: Risk Register Update	The report presented the changes to the Risk Register since the last monitoring report in April 2016 and gave details of the risks falling into the 'Very High' category and the associated work to mitigate the effects.	<p><b>RESOLVED:</b> 1) That, the Panel noted the contents of the risk register and confirmed agreement with Management Team's assessment of the risks to the Corporate objectives.</p> <p>2) That a report be presented to the next meeting of the Committee on Business Rates.</p>
A68: Review of Financial Regulations	The Audit Manager explained that Section 3 of the Accounts and Audit Regulations 2015 stated that 'A relevant authority must ensure that it has a sound system of internal control which ensures that the financial and operational management of the authority is effective.' The Financial Regulations were last reviewed in 2011/12.	<b>RESOLVED:</b> That the Committee recommends to Cabinet the adoption of the revised Financial Regulations.
13.02.17 (100 mins)		
A78: Treasury Management (Training)	The Committee received a presentation from the Head of Public Sector Treasury Advisory Team.	
A79: Treasury Management Strategy 2017/2018	<p>The Group Accountant presented the report which covered the following areas:</p> <ul style="list-style-type: none"> <li>• Capital Plans, including Prudential Indicators.</li> </ul>	<p><b>RESOLVED:</b> The Committee support the recommendations as set out below.</p> <p>Cabinet is asked to recommend to Council:</p>

	<ul style="list-style-type: none"> <li>• A Minimum Revenue (MRP) Policy.</li> <li>• The Treasury Management Strategy.</li> <li>• An Investment Strategy.</li> </ul>	<ol style="list-style-type: none"> <li>1) The Treasury Management Strategy 2017/2018, including treasury indicators for 2017/2021.</li> <li>2) The Investment Strategy 2017/2018.</li> <li>3) The Minimum Revenue Provision Policy 2017/2018.</li> <li>4) Adopt the revised Treasury Management Practices (TMPs).</li> </ol>
A80: External Audit Plan	S Powell from Ernst & Young presented the Audit Plan for the year ended 31 March 2017.	<b>RESOLVED:</b> That the Audit Plan be agreed.
A81: Certification of Annual Claims and Returns Annual Report 2015/2016	<p>S Powell presented the report which summarised Ernst &amp; Young's work on certification and assurance for the 2015/2016 claims.</p> <p>The Committee was informed that one error had been detected during the audit.</p>	<b>RESOLVED:</b> The Certification of Claims and Returns Annual Report 2015/2016.
A82: Strategic Internal Audit Plan 2017/2022	K Woodward presented the Audit Plan for the forthcoming five years and which covered areas of the Council where it had been recommended that an audit be undertaken.	<b>RESOLVED:</b> The Committee acknowledged the Internal Audit resources and agreed with the work planned for 2017/2022.
A83: Review of Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and Fraud Response Plan	K Woodward explained that there were no major policy changes in the three reports.	<b>RESOLVED:</b> The Committee agreed the changes to the Anti-Fraud suite of documents and recommend approval of the revised documents to Cabinet.
A85: Exempt Report: Risk Base Verification Policy Update	The Revenues and Benefits Manager presented the report and responded to questions from the Committee.	<b>RESOLVED:</b> Members noted the Risk Based Verification (RBV) updates in the report.