

**Audit Committee**

**Meeting held 9 January 2014**

**PRESENT:** Councillors Ray Satur (Chair), Joe Otten (Deputy Chair), Anders Hanson, Steve Jones and Martin Lawton.

Co-opted Independent Members

Rick Plews and Liz Stanley.

Officers in attendance

John Mothersole (Chief Executive), Laraine Manley (Executive Director, Resources), Eugene Walker (Director of Finance), Laura Pattman (Assistant Director of Finance, Business Partnering and Internal Audit) Kayleigh Inman (Senior Finance Manager, Internal Audit), David Phillips (Senior Manager, KPMG), Lynne Bird (Director of Legal and Governance) and Dave Ross (Principal Committee Secretary).

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**1. COMMITTEE MEMBERS**

Councillor Martin Lawton

1.1 The Chair (Councillor Ray Satur) reported that Councillor Martin Lawton was standing down from the Council at the end of the Municipal year and, therefore, possibly attending his last meeting of the Committee. He thanked him for his contribution to the work of the Committee and the work for his constituents.

Liz Stanley

1.2 The Chair welcomed Liz Stanley to her first meeting of the Committee as the new Co-opted Independent Member.

Beryl Seaman

1.3 The Chair referred to the card of thanks he had received from Beryl Seaman who was unable to attend her last meeting of the Committee, prior to standing down at the end of December 2013 as a Co-opted Independent Member.

**2. APOLOGIES FOR ABSENCE**

2.1 An apology for absence was received from Councillor Sioned-Mair Richards.

**3. DECLARATIONS OF INTEREST**

3.1 Councillor Martin Lawton declared personal interests in the following items:-

- Certification of Grant Claims and Returns 2012/13 - as a member of the South Yorkshire Pensions Authority

- Financial/Commercial Monitoring of External Relationships - as a Director of the Manor Castle Development Trust Limited

3.2 Rick Plews declared a personal interest in the item on Financial/Commercial Monitoring of External Relationships as a Trustee/Director of the Seven Hills Leisure Trust.

#### **4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the meeting of the Committee held on 14 November 2013 were approved as a correct record.

##### Matters Arising

#### 4.2 South Yorkshire Trading Standards

4.2.1 The Chair (Councillor Ray Satur) reported that it had not been possible for the Chief Executive to provide an update to members of the Committee as requested at the last meeting of the Committee but he had been receiving briefings from the Chief Executive on progress in obtaining a settlement with the other South Yorkshire local authorities. If the Chief Executive was unable to write to members of the Committee on the outcome of the negotiations within a month's time, he would brief the Chair and Deputy Chair of the Committee. They would then decide if the issue needed to be discussed at a meeting of the Committee. The Chief Executive would also brief the new Co-opted member on the background to the issue.

4.2.2 **Resolved:** That the information now reported is noted.

##### Director, KPMG

4.3 Further to the information reported at the last meeting of the Committee that Steve Clark would be replacing John Prentice as the Council's new External Auditor, David Phillips (Senior Manager, KPMG) reported that Steve Clark had subsequently resigned from KPMG to take up another post. The process of filling that vacancy was underway.

4.3.1 **Resolved:** That the information now reported is noted.

#### **5. REVIEW OF THE OPERATION OF THE NEW INTERNAL AUDIT STRUCTURE**

5.1 The Assistant Director Finance (Business Partnering and Internal Audit) submitted a report that summarised how the new management arrangements for Internal Audit that were implemented on 1 April 2013 were operating in practice and how they fulfilled the requirements of the Public Sector Internal Audit Standards (PSIAS).

5.2 The Assistant Director and Senior Finance Manager responded to questions from members of the Committee relating to the evaluation of the new arrangements. The Senior Finance Manager confirmed that she had direct

access as required to the Chief Executive. The impact of additional special investigations since April 2013 on the delivery of the Audit Plan was also discussed. The Assistant Director confirmed that additional resource was being provided to ensure that the Plan could be delivered.

5.3 **Resolved:** That the Committee:-

- (a) notes the progress of implementing the new arrangements outlined in the report; and
- (b) endorses Internal Audit's management arrangements outlined in the report.

## **6. CERTIFICATION OF GRANT CLAIMS AND RETURNS 2012/13**

6.1 David Phillips (Senior Manager, KPMG) introduced a report of the Director, KPMG that summarised the work on the certification of the Council's claims and returns for 2012/13 in relation to grants and subsidies the Council received from the Government and grant paying bodies. Four grants and claims had been certified with a total value of £573.7m. The report included details of the certification results, audit adjustments, the reduction in fees, a summary of the outcomes and the recommendations from the certification work.

6.2 The Senior Manager, KPMG and Director of Finance responded to questions from members of the Committee relating to pensions and the recommendations in the report.

6.3 **Resolved:** That the Committee notes the report now submitted.

## **7. EXCLUSION OF PUBLIC AND PRESS**

7.1 **Resolved:** That the public and press be excluded from the meeting before discussion takes place on the following item of business (the Financial/Commercial Monitoring of External Relationships) on the grounds that, if the public and press were present during the transaction of such business, there would be a disclosure to them of exempt information as described in paragraph 3 of Schedule 12A to the Local Government Act 1972, as amended.

## **8. FINANCIAL/COMMERCIAL MONITORING OF EXTERNAL RELATIONSHIPS - PROGRESS REPORT**

8.1 The Director of Finance introduced a report of the Executive Director, Resources that provided an update on the financial and commercial monitoring of the Council's major external relationships since the report to the Committee on 9 July 2013.

8.2 The Chief Executive and Director of Finance and responded to questions from members of the Committee relating to Amey, Veolia, whether other partnerships should be included in the report and the format of the report.

8.3 **Resolved:** That the Committee:-

- (a) notes the report now submitted; and
- (b) requests the Director of Finance to clarify the issue now raised regarding the format of the report.

**9. WORK PROGRAMME**

9.1 The Director of Legal and Governance submitted a report containing a work programme to April 2014.

9.2 **Resolved:** That the Committee:-

- (a) approves the work programme with the inclusion of an item on the review of the Adult Social Care systems and processes for the April meeting; and
- (b) requests that members of the Committee inform the Chair (Councillor Ray Satur) of any potential items for inclusion in the work programme.

**10. DATES OF FUTURE MEETINGS**

10.1 To note that meetings of the Committee will be held at 6.00 p.m. on:-

- 13 February 2014 (additional meeting if required)
- 13 March 2014 (additional meeting if required)
- 10 April 2014