

At a meeting of the Audit Committee held in Council Chamber - Allerdale House, Workington on Monday 25 February 2019 at 2.00 pm

## **Members**

Councillor Mary Bainbridge (Chair)  
Councillor Tony Annison  
Councillor Marion Fitzgerald

Councillor Neil Schofield (Vice-Chair)  
Councillor John Colhoun  
Councillor Billy Miskelly

## **Staff Present**

L Jardine, B Lennox, P McKenzie and S Sewell

## **Also Present**

J Farrar and A Pieri

### **384. Minutes**

The minutes of the meeting held on 26<sup>th</sup> November 2018 were signed as a correct record.

### **385. Declaration of Interests**

None Declared

### **386. Questions**

None Received

### **387. Assurance, Risk and Audit Report for the Quarter Ending 31 December 2018**

The Assurance, Risk and Audit Officer attended the meeting to deliver the third quarterly Assurance, Risk and Audit Report for 2018/19.

Members were advised of the work undertaken in Quarter 3, the chargeable time was at 77% which is above targets of 71%.

The ICT audit is being carried by an external company, Mersey Internal Audit, with a deadline for completion set at the end of April 2019.

The Assurance, Risk and Audit Officer went through the Governance Review Report and staffing changes to the Assurance, Risk and Audit Team.

During the quarter there was one attempted fraud on the Council, relating to National Non Domestic Rates. This tested the processes in place and evidenced that they were working effectively as all money was successfully returned. Allerdale are working with other groups and councils to target cases of fraud and raise awareness.

**Agreed**

That the contents of the report be noted.

**388. The Internal Audit Charter**

The Assurance, Risk and Audit Officer presented the Internal Audit Charter, clarifying terminology to members.

**Agreed**

That the contents of the report be noted.

**389. Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2019-20**

The Financial Services Manager presented this item. The current treasury position and the borrowing and investment position were explained to members, including the borrowing strategy for the Council.

In response to member's questions, the officer clarified the consequences of under borrowing and that the Stadium being financed by borrowing is only one of a number of options.

The officer confirmed the Council is not looking to borrow to invest and that borrowing will only be used for Capital.

The officer then went through the Annual Investment Strategy and Minimum Revenue Provision.

Members asked questions relating to borrowing, the Financial Services Officer confirmed that the council's controls over spending are set out in the budget, including the borrowing requirements for capital projects and that the budget scrutiny group assists in the budget process.

**Agreed**

That the contents of the report be noted.

**390. Annual Certification Letter 2017/18**

The Annual Certification letter was presented to members by Grant Thornton LLP who confirmed that there were no amendments from Allerdale Borough Councils Housing Benefit Subsidy.

The fee for this work was £14,916.

Members then praised the work of officers for processing such a large claim with due diligence.

**Agreed**

That the contents of the Annual Certification Letter be noted.

**391. External audit update report 2018/19**

The External Audit Update report was presented by John Farrar and Angela Pieri who discussed with members the Audit Deliverables and then took questions relating to the general Audit Profession and changes to the senior leadership of Grant Thornton LLP.

Members were also informed that Grant Thornton had been sharing learning and understanding on areas affecting the potential future stadium, such as legal, procurement and finance.

**Agreed**

That the contents of the External Audit Update Report 2018/19 be noted.

**392. Audit Plan 2018/19**

The External Audit Plan for 18/19 was presented by Grant Thornton LLP who confirmed it was a value for money risk based plan.

Members were informed that the audit fees had reduced by 23% and this was due to a variety of reasons including new approaches to audit work by Grant Thornton.

Members then discussed the financial sustainability of the council and future budget gaps, with Financial Services Manager advising that future funding is uncertain and it will become a challenge for all local authorities, he went on to discuss risks and the authorities financial planning processes.

Members were also advised that AIP is subject to external audit and that it is a separate entity to Allerdale Borough Council.

**Agreed**

That the contents of the External Audit Plan 2018/19 be noted.

**The meeting closed at 3.20 pm**