

At a meeting of the Audit Committee held in Council Chamber, Allerdale House on Tuesday 18 February 2020 at 2.00 pm

## **Members**

Councillor Janet King (Chair)  
Councillor Carole Armstrong

Councillor Alan Tyson (Vice-Chair)  
Councillor Adrian Kirkbride

Apologies for absence were received from Councillor Mary Bainbridge and Councillor John Colhoun

## **Staff Present**

J Bramley, L Jardine, B Lennox, A Milburn and E Thompson

## **Also Present**

A Pieri

### **372. Minutes**

The minutes of the meeting held 27 November 2019 were signed as a correct record.

### **373. Declaration of Interests**

None declared

### **374. Questions**

None received

### **375. Assurance, Risk and Audit Report, Quarter Three 2019/20**

The Assurance, Risk and Audit (ARA) Manager presented the Assurance, Risk and Audit Report for the Quarter Ending 31 December 2019.

Members were advised that the chargeable time for the year to date had improved but was below targets due to annual leave and training of a new team member, all audits however are on track to be completed.

The ARA Manager completed the annual PSIAS self-assessment. This document provides the Committee an overview of compliance for Internal Audit Services at Allerdale Borough Council. Members were advised that for ICT audits and counter fraud, Allerdale was only partially conforming to standard. The ICT audit has however is being delivered by an external audit agency. In relation to fraud, Allerdale does not currently employ a suitably qualified counter fraud expert but e-learning is in place to ensure counter fraud is the responsibility of all employees.

The ARA Manager then provided an overview of the work undertaken in Quarter 3 and went through the report summary for the health and safety review 2019/20. Following the report members asked questions, in relation to fire safety members were advised that the fire alarm is tested weekly, but that emergency planning is not covered by this audit. Members also expressed concern that following testing on six events which were held council land, two had failed to show evidence of valid insurance.

The ARA Manager then presented the review of corporate procurement, members were advised that improvements will be embedded in Quarter 4 and that external training and in-house training has been delivered to 24 officers, which will raise the awareness of the procurement process.

Members were provided with an update of outstanding actions from earlier audits and that for the next meeting the audits for contract management, financial services, revenue and benefits and cash management should be completed.

### **Agreed**

That the contents of the report be noted.

### **376. Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2020/21**

The Financial Services Manager presented this item. Members were advised that before each financial year the Council is required to prepare and approve the following,

- A Treasury Management Strategy Statement (TMSS) and Investment Strategy setting out its proposed treasury management activities for the year and policies for the prudent management of its investments
- A statement of its policy on making Minimum Revenue Provision (MRP) indicating how it is proposed to discharge the duty to make prudent MRP in the forthcoming financial year
- A set of prescribed prudential and treasury indicators for the forthcoming and following years - including the Council's Authorised Borrowing Limit - demonstrating that its capital expenditure plans are affordable, and that external borrowing is within prudent and sustainable levels

Members were also provided with an overview of the current treasury position and the interest rate forecast.

The council is currently maintaining an under borrowed position will not borrow more than is needed or borrow to reinvest. Members were also informed that the Council is not planning to reschedule any debt in the immediate future.

In response to member's questions relating to ethical investments, the officer clarified that the Council does not invest in individual companies for treasury management purposes. Short term treasury management investments are

typically limited to call accounts, AAA rated Money Market funds and deposits held with the Governments Debt Management Office (DMO). The officer also clarified the Councils position on long term investments.

Members also asked questions in relation to the Councils Investment Properties and Assets. It was explained that the such investments do not form part of the Treasury Management and Investment Strategies but were covered within the Council's Capital Investment Strategy.

**Agreed**

That the contents of the report be noted.

**377. Progress Report 2019/20**

Angela Pieri of Grant Thornton LLP provided members with the progress report for 2019/20.

Members were provided with a summary of the progress in terms of the internal audit, which is due to take place in March 2020 and an update on Value for Money work undertaken.

Members were also provided an audit sector update and planned dates for audit deliverables.

**Agreed**

Members noted the contents of the report.

**The meeting closed at 3.30 pm**