

NOTTINGHAM CITY COUNCIL

AUDIT COMMITTEE

MINUTES of the meeting held at Loxley House, Station Street, Nottingham, NG2 3NG on 18 September 2015 from 10.32 am - 11.51 am

Membership

Present

Councillor Sarah Piper (Chair)
Councillor Steve Young (Vice-Chair)
Councillor Michael Edwards
Councillor John Hartshorne
Councillor Anne Peach
Councillor Andrew Rule

Absent

Councillor Toby Neal
Councillor Malcolm Wood

Colleagues, partners and others in attendance:

Barry Dryden - Senior Finance Manager
Sue Risdall - Finance Analyst
Shail Shah - Head of Internal Audit
Sue Sunderland - KPMG
Richard Walton - KPMG
Laura Wilson - Governance Officer

22 APOLOGIES FOR ABSENCE

Councillor Malcolm Wood – other Council business

23 DECLARATIONS OF INTERESTS

None

24 MINUTES

The Committee confirmed the minutes of the meeting held on 7 August 2015 as a correct record and they were signed by the Chair.

25 STATEMENT OF ACCOUNTS

Barry Dryden, Senior Finance Manager, introduced the Director of Strategic Finance's report detailing the Statement of Accounts for 2014/15 for approval by the Committee and highlighted the following points:

- (a) the Statement of Accounts are not produced directly from Oracle but there are a significant number of checks to ensure the details are accurate;
- (b) from 2017 the draft accounts will have to be produced by the end of May;
- (c) a revaluation of the Housing Revenue Account has resulted in an increase of £41 million;

- (d) some amendments have been made to the accounts following the audit review as authorisation limits on payments have been breached. This has resulted in raising awareness within teams, more checks being undertaken and investigating to see whether automatic checks can be built into the system.

Sue Sunderland, Director of KPMG, introduced her report on the audit work carried out on the Statement of Accounts and highlighted the following points:

- (e) KPMG anticipate issuing an unqualified audit opinion on the Statement by 30 September 2015;
- (f) the authority is well placed to address the budget pressures that it faces;
- (g) there are some control issues over transactions administered by East Midlands Shared Services (EMSS) which has led to recommendations being made to improve the control on authorisation limits and introducing checks at EMSS before money is released.

The following comments were made:

- (h) if possible, Internal Audit should take 25 more samples of payments in three months' time to test if the new controls put in place have resolved the issue of authorisation limits being breached;
- (i) limits are standard across the organisation so it may be more appropriate to vary them;
- (j) it would be helpful to see a breakdown of why properties receive discounted Council Tax.

RESOLVED to

- (1) note the external auditors' report to those charged with governance, detailed in Appendix B of the report;**
- (2) approve the Statement of Accounts (detailed in Appendix C of the report) for signature by the Chair of the Committee;**
- (3) approve the Draft Management Representation Letter (detailed in Appendix D of the report) for signature by the Chair of the Committee;**
- (4) request that Internal Audit take 25 more samples of payments in three months' time to test if the new controls put in place have resolved the issue of authorisation limits being breached;**
- (5) request that a breakdown of why properties receive discounted Council Tax is submitted to the next meeting;**
- (6) thank Sue Sunderland, KPMG, for her support.**

26 ANNUAL GOVERNANCE STATEMENT 2014/15

Shail Shah, Head of Internal Audit, introduced the Director of Strategic Finance's report detailing the Annual Governance Statement 2014/15 for approval by the Committee, which is required by the Accounts and Audit Regulations 2015.

RESOLVED to approve the Annual Governance Statement 2014/15, as detailed in Appendix 1 of the report.