

## **Audit Committee**

Tuesday 8<sup>th</sup> September 2015 at 7.00 pm

**Present:** Councillors Murtagh (Chair), Khan, Sabiers, and Murray. Conrad Bryant (Independent member)

**In Attendance:** Mick Bowden (Interim Strategic Finance Partner), Maria Christofi (Director of Finance), Steve Lucas & Neil Thomas (KPMG), Steve Tinkler (Head of Audit & Investigation) and Bridget Uku, (Group Manager, Treasury & Investments) Ruari Hughes (Financial Control Finance Manager)

**1. Apologies for Absence**

A Stafford

**2. Urgent Matters**

There were none.

**3. Matters to be Considered in Private**

Items 8 and 10 contained appendices with confidential information in them, which required those items to be considered in private.

**4. Declarations of Interest**

There were none.

**5. Minutes**

**Resolved:**

That the minutes of the meeting held on 25<sup>th</sup> June 2015 be agreed and signed as a true and correct record.

**6. Any Matters Arising from the Minutes of the Last Meeting.**

There were none.

**7. Audit Committee Consideration of the Council's Annual Statement of Accounts 2014/15**

Maria G Christofi, Director of Finance introduced the report which set out the arrangements for keeping and publishing the Council's accounts. The Council has continued to improve the timeliness of its accounts. Production of its accounts was three weeks ahead of schedule for this year. Appendix 1 summarised the findings from the audit of the 2014/15 Statement of Accounts and identified any issues to be addressed.

Steve Lucas and Neil Thomas from KPMG went through their findings stating that they anticipated issuing an Unqualified audit opinion on the Authority's financial statements by the end of the month including the Pension Fund Annual Report.

It is anticipated that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and therefore anticipate issuing an unqualified VFM conclusion by 30 September 2015.

Officers and KPMG responded to all queries from members about audit adjustments.

Resolved: That the Audit Committee

- 1.1 Notes the report to those charged with governance (ISA 260) for the London Borough of Ealing issued by the Council's external auditors, KPMG and any findings and management responses by Officers (Appendix 1).
- 1.2 Approves the audited Statement of Accounts for 2014/15 for the London Borough of Ealing and London Borough of Ealing Pension Fund (Appendix 2) and authorises the signing thereof by the Chair of the Audit Committee at its meeting.
- 1.3 Approves the Annual Governance Statement for 2014/15 (contained within the main Statement of Accounts pack at the rear of Appendix 2).
- 1.4 Approves the letters of representation (Appendix 3) and for them to be signed by the Chair of the Committee and the Executive Director of Corporate Resources.
- 1.5 Congratulates officers for the timely completion of the accounts.

## **8. Treasury Management Quarter 1 Update 2015/16**

Bridget Uku, (Group Manager, Treasury & Investments) introduced the item, setting out the borrowing and investment decisions for the first quarter ending 30 June 2015. Over the reporting period, all treasury management activities have been carried out in accordance with the approved limits. The report also provides information on the prevailing economic conditions during the first quarter of the reporting year 2015/16.

She drew members' attention to the key messages in the report

- All treasury management activities were executed by authorised officers within the parameters agreed by the Council.
- All investments were made to counterparties on the Council's approved lending list and within agreed limits.
- There was no long-term borrowing raised during the period to 30 June 2015.
- Long-term debt reduced from £484.128m to £478.186m in the first quarter due to debt maturing.
- The Council earned an average investment return of 0.566% on short term lending, outperforming the rolling average 7 Day LIBID rate of 0.404%.
- The Council currently holds no investments with overseas financial institutions.
- The HRA debt is managed separately from General Fund debt.

Resolved: that the committee

- 1.1 Notes the Treasury Management activities and performance against targets for the first quarter to 30 June 2015.
- 1.2 Notes the Council's investments balance of £219.236m as at 30 June 2015 of which

£61.8m was invested in other Local Authorities (set out in Appendix 1).

1.3 Notes the Council's current lending list (set out in confidential Appendix 2).

## **9. Internal Audit and Investigations Report Quarter 1 2015/16**

Steve Tinkler (Head of Audit & Investigation) introduced the report, which set out the progress of internal audit and investigations functions against the 2015/16 quarter one targets.

With regard to Counter Fraud developments he clarified that proceeds recovered from criminal activities was shared between the government and the council

Resolved: that the Audit Committee

Notes Internal Audit's performance and key issues arising during the period 1 April–30 June 2015, and for the same period notes the performance and work of the Investigations Team (Appendix A).

## **10. Risk Management Update Report Quarter One 2015**

Steve Tinkler (Head of Audit & Investigation) introduced the report, which set out the progress of the Council's Risk Management Framework and provides the Audit Committee with an update in respect of the review of risks completed at the end of Q1 2015/16. Corporate Board is responsible for reviewing the Strategic Risk Register, ensuring that the management of risk continues to be within the Council's risk appetite. The Audit Committee is responsible for considering the effectiveness of the Council's strategic risk management arrangements.

Currently the SRR contains 16 strategic risks, which are assessed at a residual risk level as being managed within the organisations risk appetite. No new risks are being added or escalated to or withdrawn from the SRR following the completion of the Q1 review of the SRR. He drew members' attention to the confidential appendices which contained detailed risk information.

Resolved: That the Audit Committee

- Notes progress of the Council's Risk Management Framework
- Notes the current Strategic Risk Register (Appendix A) to assure itself that sufficient and appropriate actions are being taken to safeguard the Council's business and reputation.
- Notes the progress of risk owners with regards to the timely management of risks contained within directorate risk registers.

## **9. Date of Next meeting**

The next meeting is scheduled for 20<sup>th</sup> January 2016

Meeting closed at 20.15.

Minutes 8<sup>TH</sup> September 2015

Chair: Councillor Tim Murtagh