

**AUDIT COMMITTEE**  
**17th July, 2013**

Present:- Councillor Sangster (in the Chair); Councillors Gilding, Kaye, Sharman and Sims.

**P5. MINUTES OF THE PREVIOUS MEETING HELD ON 12TH JUNE, 2013**

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 12<sup>th</sup> June, 2013.

With regards to Minute No. P4 (Annual Governance Statement) it was noted that this would be presented to the Council Meeting by Councillor Kaye, Vice-Chairman.

Resolved:- That the minutes of the previous meeting be approved as a correct record for signature by the Chairman.

**P6. CORPORATE RISK REGISTER**

Consideration was given to a report presented by Andy Shaw, Insurance and Risk Manager, which provided details of the current Corporate Risk Register summary. The summary showed the risks associated with the Council's most significant priorities and projects and actions being taken to mitigate these risks.

The Council's key current risks continued to relate to the financial pressures faced by the Council, the implications of the Welfare Reforms, delivering effective Children's Services within budget, Digital Region and economic growth. The report summarised the management actions that were being taken to mitigate these and other risks in the register and listed the risks in descending inherent risk order to emphasise the most significant.

The risk score on the priority relating to achieving economic growth had increased in recognition of the on-going weak economic conditions. The financial risk associated with the administration of Municipal Mutual Insurance had been downgraded following more certainty over the Council's financial liability and the availability of funding to meet the liability.

A new risk relating to Family Poverty (0044) had been added to the register in recognition of it being a key priority for the Health and Wellbeing Board.

Discussion ensued on the top risks that required on-going close monitoring, the importance of reviewing them on a regular basis and an update on their current status was provided. It was also noted that the

External Auditors were comfortable with the risk based approach taken by the Council as part of the risk management process.

Reference was made to discussions with partners sub-regionally regarding the impact of the budget reductions and welfare reform with a view to working effectively together to manage risk and solutions across South Yorkshire such as demand management and shared services.

Further information was sought on the procurement of services by the Council and the process applied in line with U.K. and European law.

Resolved:- (1) That the contents of the Corporate Risk Register summary attached at Appendix A be noted.

(2) That the current assessment of the Council's top corporate risks be approved.

(3) That any further risks or opportunities that should be added to the risk register be identified.

**P7. ANNUAL TREASURY MANAGEMENT REPORT AND ACTUAL PRUDENTIAL INDICATORS 2012/13**

Consideration was given to a report presented by Derek Gaffney, Chief Accountant, which detailed how the Council received an annual treasury strategy in advance of the 2012/13 financial year and also a mid-year report representing a mid-year review of treasury activity.

The annual treasury management report was the final treasury report for 2012/13. Its purpose was to review the treasury activity for 2012/13 against the strategy agreed at the start of the year.

The report also covered the actual Prudential Indicators for 2012/13 in accordance with the requirements of the Prudential Code.

Presentation of the report met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

The Council was required to comply with both Codes through Regulations issued under the Local Government Act 2003.

Further information was provided on the main reasons for change in the actual indicators from those originally set in March, 2012 and the level of the Council's external debt and investments.

Resolved:- That the Annual Treasury Management Report be approved.

**P8. STATEMENT OF ACCOUNTS 2012/13**

Consideration was given to a report presented by Simon Tompkins, Finance Manager, which set out how the Council's annual Financial Statements were the primary means by which local authorities were accountable to local and national stakeholders. It was, therefore, important that the Council's accounts were prepared in accordance with recognised accounting standards and could be relied upon by users of the accounts.

In view of their importance, Audit Committee requested, at its meeting on 20th March, 2013, that it be given an opportunity to receive for information the unaudited 2012/13 Financial Statements before it was requested to formally approve the audited Financial Statements at its September meeting.

This report had been prepared to offer Members such an opportunity.

The unaudited Financial Statements were attached to the report. They were published on the Council's website on 28th June, 2013 thereby complying with the requirements of the Accounts and Audit Regulations 2011 for them to be published no later than 30th June, 2013.

Local electors would be able to exercise their public rights to inspect the Financial Statements and the books, deeds, contracts, bills, vouchers and receipts, relating thereto over the period from 16th July, 2013 until 12th August, 2013. From the 13th August until the audit was concluded local electors would have the right to ask questions of the external auditor regarding the accounts and, should they wish, make an objection.

The audit of the Financial Statements would take place over July and August with a view to an opinion being given immediately after September's Audit Committee meeting in order that the audited financial Statements could be published by the statutory deadline of 30th September. Members of the Audit Committee were reminded that they would be required to formally approve the Audited Financial Statements at that meeting.

Discussion ensued on the financial performance in the year, the financial position at year end, the significant matters reported in the Financial Statements and the Council's future financial prospects.

Further information was also provided on the Council's net worth, which comprised its usable and unusable reserves.

Resolved:- That the unaudited 2012/13 Financial Statements be received and the compliance with the statutory requirement that they be published no later than 30<sup>th</sup>, June, 2013 be noted.