

LICENSING AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 26 September 2016 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr A. Jackman (Chairman)
Cllr M.L. Sheehan (Vice-Chairman)

Cllr Sophia Choudhary
Cllr Liz Corps
Cllr A.H. Crawford
Cllr S.J. Masterson
Cllr L.A. Taylor
Cllr J.E. Woolley

Apologies for absence were submitted on behalf of Councillor Barry Jones, Councillor Mike Smith and Councillor Jacqui Vosper.

14. MINUTES

The Minutes of the Meeting held on 27th June, 2016 were approved and signed by the Chairman.

15. INTERNAL AUDIT - AUDIT UPDATE

The Committee received the Audit Manager's Report No. AUD1602, which provided an overview of the internal audit work undertaken from March to August, 2016.

It was noted that an audit of capital projects that had been deferred over the previous three financial years had been carried out to identify reasons for the slippage and to ascertain if any trends had been highlighted. The key findings from the audit were:

- slippage of projects happened each year, with 44% of projects in 2013/14 and 56% of projects in 2014/15 slipped;
- 48 projects had slipped over the three year period with seven of these having slipped for more than three financial years;
- the majority of the slipped projects related to building works/ improvements, highways work/improvement or sports/recreational facilities; and
- external conditions had contributed to the majority of the slippages sampled (e.g. requiring external agreement or external funding).

The Committee was advised that no recommendations had been made as actions identified in the previous audit of capital projects would help to address the findings

within the 2015/16 audit. A follow-up on the recommendations would be carried out later in the year and reported to the Committee.

In respect of audit follow-up work, the Committee noted that these had been carried in respect of: financial grants; parking management system; planning enforcement; eXpress system (elections); and, IT network security. This work had shown that progress had been made in implementing the audit recommendations. A follow-up had also been carried out on the mobile devices audit, although one high priority recommendation in respect of security had not yet been fully implemented and would be referred back to the Directors' Management Board for further discussion on a way forward.

The Committee was advised of current work in respect of Public Sector Internal Audit Standards which had come into effect in April, 2013, setting down areas of internal audit work which were expected in order to be compliant with the standards. The Internal Audit team was currently carrying out a self-assessment against the standards and the results would be reported to the next meeting of the Committee.

During discussion, Members raised questions regarding the reasons for the slippage of projects and staffing resources for the projects.

RESOLVED: That the Audit Manager's Report No. AUD1602 be noted.

16. STATEMENT OF ACCOUNTS AND AUDIT RESULTS REPORT 2015/16

The Committee considered the Head of Financial Services' Report No. FIN1620 which sought approval for the Council's Statement of Accounts for 2015/16 and set out the external auditor's Audit Results Report.

The Committee was advised that the Statement of Accounts for 2015/16 had been prepared in line with CIPFA's 'Code of Practice on Local Authority Accounting' for 2015/16, under International Financial Reporting Standards and in accordance with the Accounts and Audit (England) Regulations, 2015. The Council's Annual Governance Statement, which had been approved by the Committee on 27th June 2016, was required to be published alongside the Statement of Accounts by 30th September, 2016 and was included in Appendix A to the Report.

On behalf of the Committee, the Chairman welcomed Mr. Andrew Brittain and Mr. Adrian Balmer who were attending to present the findings of the Council's Auditors, Ernst & Young, in carrying out audit work in relation to the 2015/16 financial year. The audit was now complete and an unqualified audit opinion was issued. The external auditors also concluded that the Council had put in place proper arrangements to secure value for money in its use of resources and the audit certificate was issued at the meeting alongside the audit opinion.

Mr. Brittain advised that there was currently one unadjusted audit difference, which was an extrapolated error. Details of this were set out in Appendix B to the Audit Results Report. The error was not considered to be material to the audit opinion. The auditors sought the Committee's approval of management's rationale as to why the correction had not been made. This was included in the draft Letter of

Representation from the Council, which had been circulated to the Committee for approval.

A limited number of casting and consistency errors had been identified. These had been corrected during the course of the audit work and details were provided in Appendix A to the Audit Results Report. It was noted that these amendments did not have an impact on useable reserves.

Mr. Balmer advised the Committee on the responsibilities of the Council in preparing and publishing its Statement of Accounts and Annual Governance Statement as well as putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Mr. Balmer also spoke on the purpose and scope of an audit, including audit risks identified during the planning phase of the audit, and which had been previously reported to the Committee in the Audit Plan. The Audit Results Report also set out: audit procedures performed and the assurance gained and issues arising from this work during the audit; other matters which were significant to the Council in overseeing its financial reporting process; control themes and observations; a request for written representations; Whole of Government Accounts return; and, a value for money conclusion.

Mr. Brittain thanked the Council for its help and support in allowing Ernst & Young to complete the audit.

RESOLVED: That

- (i) the Auditor's Audit Results Report, as appended to the Head of Financial Services' Report No. FIN1620, be noted;
- (ii) the financial statements for 2015/16 be approved;
- (iii) the letter of representation, as circulated at the meeting, be approved; and
- (iv) the Chairman be authorised to sign page 13 of the Statement of Accounts 2015/16, attached as Appendix A to the Report, to certify the Committee's approval.

The meeting closed at 7.32 pm.

CLLR A. JACKMAN (CHAIRMAN)
