

Minutes of a meeting of the Audit Committee held on 26th June 2014 at Pippbrook, Dorking from 7.00pm to 7.57pm

Present: Councillors Roger Hurst (Vice Chairman in the Chair), Lynne Brooks, Mary Cooper and David Preedy.

4. Minutes

The minutes of the meeting of the Committee held on 17th June 2014 were approved as a correct record and signed by the Vice Chairman.

5. Apologies for Absence

Apologies for absence were received from Councillors Tim Ashton and Stella Brooks.

6. Disclosure of Interests

None declared.

7. Statement of Accounts 2013/14

The Committee received the report as set out on pages 3 to 108 on the agenda, and were asked to acknowledge receipt of the Council's draft Statement of Accounts 2013/14 to be submitted to the Auditors, Grant Thornton, by 30 June 2014, subject to any minor changes agreed by the S151 Officer that may arise between the distribution of the report and submission to the Auditor.

Members noted that following discussion and agreement by the Committee, the accounts would be passed to Grant Thornton for further work and signed by the Council's S151 Officer on 30th June 2014. The accounts would be made available for public inspection over the summer months, before final sign-off at the meeting of the Committee to be held on 25th September.

Jamie Bewick was in attendance at the meeting to introduce Grant Thornton's role in the production of the accounts for 2013/14. Jamie explained each section of Grant Thornton's Audit Plan for Mole Valley, including their approach, risk, value for money and the results of interim audit work.

Officers explained that the Statement of Accounts before Members was driven by a balance between communication and compliance, i.e. CIPFA guidelines that had to be followed. The format of the accounts was similar to those of other Surrey authorities, including the County Council.

Members asked a number of questions regarding the accounts on matters relating to potential Cherkeley Court legal costs, the comprehensive income and expenditure statement and the Leatherhead bypass project. Further questions had been submitted to Officers on detailed matters prior to the meeting, for which answers had been already received.

RESOLVED: The Committee acknowledged receipt of the Council's draft Statement of Accounts 2013/14 to be submitted to the Auditors, Grant Thornton, by 30 June 2014, subject to any minor changes agreed by the S151 Officer that may arise between the distribution of the report and submission to the Auditor.

8. Internal Audit – (a) Annual Report 2013/14 (b) Progress Report since March 2014 and (c) Audit Plan 2014/15

The Committee considered the report set out on pages 109 to 168 which asked it to note the Internal Audit Annual Report 2013/14, progress against the 2013/14 and 2014/15 Internal Audit Plan and the revised Internal Audit Plan 2014/15.

David Taylor from the Council's Internal Auditors Baker Tilly was in attendance at the meeting to explain the various processes to Members and report on Mole Valley's progress in the past few months.

David began by explaining the structure of the Annual Report 2013/14 and the use of the traffic light system to highlight any issues within the organisation. The majority of the report consisted of green or amber ratings and one red, for Town Centre Management (known as RAG ratings) . Action plans had been developed for each separate audit to give clear guidance to the Council as to how the score on the amber and red could be improved. Members noted that the management team at Mole Valley had been very positive in accepting the recommendations of Baker Tilly. The auditors also kept track of previous recommendations made for improvements, and were pleased to report that these had been followed up and adequate progress had been made.

Mole Valley's development against the 2013/14 and 2014/15 Internal Audit Plan was considered further by the Committee, who felt it was useful to have an update on the Council's progress against the plan. There were queries raised regarding housing adaptations, journal entries and the potential Leatherhead bypass development project. Members noted that any actions identified had a designated officer from MVDC assigned to them, scope for management comment and a timescale for delivery. All identified actions would continue to be monitored and reported on by the auditors at future meetings of the Committee.

The 2014/15 Audit Plan had been considered at the meeting of the Committee held in March 2014 where a number of comments had been made on the plan, such as the inclusion of disaster recovery planning for flooding.

Members asked if a schedule of reporting on current and completed projects could be developed. The request was twofold;-

- 1) to report on whether projects were running to schedule (the current reports just show if they are within budget).
- 2) to investigate retrospectively whether completed projects are delivering the projected benefits. It was accepted that this may not be practical for some projects.

These reports would enable Members to look at the Council's work and learn valuable lessons regarding successes or difficulties experienced, i.e. costings. David agreed that, subject to discussions with management, this approach could be implemented and used to ensure future projects were managed in the best way possible.

Lastly, David explained how a joint contract with neighbouring authorities benefitted Mole Valley, as Baker Tilly were able to compare and contrast various situations across the different Councils, and use this as a resource for shared learning, best practice and problem solving.

RESOLVED: The Committee noted

- (a) the Internal Audit Annual Report 2013/14;
- (b) progress against the 2013/14 and 2014/15 Internal Audit Plan; and
- (c) the revised Internal Audit Plan 2014/15

Chairman.....
Date: