

## **Audit and Governance Committee**

A meeting of Audit and Governance Committee was held on Monday, 29th July, 2019.

**Present:** Cllr Barry Woodhouse(Chairman), Cllr Lauriane Povey(Vice-Chair), Cllr Chris Barlow, Cllr Chris Clough, Cllr Tony Hampton (Sub for Cllr Stefan Houghton), Cllr Ross Patterson, Cllr Maurice Perry, Cllr Mick Stoker, Cllr Laura Tunney

**Officers:** Andy Bryson, Andrew Barber, Martin Skipsey, Marianne Sleeman

**Also in attendance:** Cllr Eileen Johnson, Cllr Lynn Hall, Gavin Barker, Gareth Roberts

**Apologies:** Cllr Stefan Houghton

### **AGC 12/19 Evacuation Procedure**

The evacuation procedure was noted.

### **AGC 13/19 Declarations of Interest**

There were no interests declared.

### **AGC 14/19 Minutes form the Audit and Governance Committee which was held on 30th May 2019.**

Consideration was given to the minutes from the meetings held on 30th May 2019.

#### **RESOLVED:**

That the minutes of the meeting held on 30th May 2019 be confirmed and signed as a correct record.

### **AGC 15/19 External Audit - Audit Completion Report and Value for Money**

Consideration was given to the Audit Completion Report for the year ended 31st March 2019. The detailed scope of the work including identified significant audit risks and other areas of management judgement had been considered by the Committee on 25th February 2019 and no new significant risks had since been identified.

RESOLVED that the report be noted.

### **AGC 16/19 Internal Audit Update Report 2019/2020**

Consideration was given to the Internal Audit Update Report 2019/2020. The purpose of the document was to update Members on the work carried out by the

Internal Audit Section and the progress made against the Audit Plan 2019/20.

RESOLVED that the Internal Audit Update Report 2019 / 2020 be noted

**AGC  
17/19**      **Annual Financial Statements 2018 - 2019 Final**

Consideration was given to the Annual Financial Statements 2018 – 2019

The accounts had been completed in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom 2018/19' which was prepared under International Financial Reporting Standards.

Electors had the right to examine the draft accounts for a period of 30 working days which for 2018/19. The inspection period for 2018/19 was from 3rd June to 12th July 2019. Members were informed no request had been received from Electors to view the Annual Financial Accounts.

The accounts now included Annual Statements in relation to the Council group undertaking for the ownership of the Stockton Hotel and Stockton Holding Companies.

The following key financial issues were included in the accounts:

- A surplus of £732K was reported against directorate revenue budgets for 2019/19. This surplus has been added to general fund reserves.
- Total capital spending was £45.275 million during 2019/19.
- Non-Current Assets amounted to £341.2 million (group £340.4 million); this is an increase of £19.1 million over 2017/18. This increase reflects the additional investment in the CCLA Property Fund and investment properties.
- Current investments and cash amount to £6.9 million (group £7.5 million). This is a decrease of £20.2 million from the previous year. This is due to the additional long term investment in the CCLA Property Fund and using cash reserves to fund the capital programme prior to entering into borrowing.
- The Councils current long and short term borrowings total £47.258 million which is a reduction of £0.156 million over the previous year.
- The Council earmarked reserves (excluding schools) stand at £59.9 million which is a decrease of £4.4 million from the previous year. This reflects the planned use of reserves to fund the capital programme.
- The level of General Fund balance at the 31st March stands at £8.4 million an increase of £732K and School Reserves stand at £4.8 million a reduction of £196K.
- The Council's Pension Scheme deficit is estimated at £227 million, an

increase of £3 million from the previous year. This results from the actuaries' assessment of fund performance and the re-measurement of scheme assets and liabilities.

The audited Statement of Accounts would be published on 30th July 2019.

RESLOVED that members approve the Annual Financial Statements 2018/19 Final.

**AGC  
18/19**      **Annual Governance Statement 2018/2019**

Members were presented with a report of the Council's Annual Governance Statement for 2018/2019.

The Accounts and Audit Regulations 2015 require all Authorities in England to conduct a review at least once a year of the effectiveness of its governance framework and produce an Annual Governance Statement to accompany its Statement of Accounts. After this the Council had not identified any significant issues that were not being addressed within the statement.

The Annual Governance Statement 2018/19 would be published on 30th July 2019.

RESOLVED that the Annual Governance Statement 2018/2019 be noted.

**AGC  
19/19**      **Audit Review - Globe Restoration Project**

Consideration was given to an update on the work carried out by Internal Audit on the assurance framework on the Globe Restoration Project. The purpose of the document was to summarise the audit conclusions which had been an unplanned audit agreed to the 2019/20 audit plan.

Costs have been independently challenged using appropriate robust comparisons where possible.

The internal project management arrangements had been overseen by Cost Consultants who have been on top of the costs throughout the project with proportionate due diligence carried out. Key partners had made concessions throughout the period of the project to reduce costs.

The assurance level as a result of the audit work is substantial assurance with 4 recommendations as follows:

- All major capital projects should follow all aspects of the delivery Framework.
- All risks and uncertainties should be clearly outlined in the reports to Members
- Reviews to be undertaken regarding the capacity and governance around the Globe project.
- Consideration should be given to the capacity and governance of any future major projects.

RESOLVED that the Audit Review – Globe Restoration Project be noted.

**AGC  
20/19**      **Work Programme 2019-20**

Consideration was given to the Audit and Governance Work Programme.

RESOLVED The Work Programme be noted.