

Chairman - Councillor A M Loughran

Present (for all or part of the meeting):-

Councillors:

I E Davis

D B Price

A J Perkins

R M Sutherland

Officers in attendance:-

Mr A Welch

- Head of Law and Administration

Mr B Kean

- Head of Finance

Mrs E Fullager

- Principal Accountant

Mr J Dean

- Democratic Services Officer

Also present:-

Mr R Percival

- Engagement Lead, Grant Thornton

Mr J McLarnon

- Audit Manager, Grant Thornton

**AAC11 Minutes**

Minutes of the meeting held on 12 June 2018, as published in Digest No 244, were submitted and signed.

**AAC12 Apologies**

Apologies for absence were received from Councillors R A James and K S Williamson.

**AAC13 Audit Findings - Year Ending 31 March 2018**

Considered the report of Grant Thornton summarising the key issues from the statutory audit of the Council and the preparation of the Council's financial statements for the year ended 31 March 2018.

Mr Richard Percival, Engagement Lead, Grant Thornton, introduced the report and highlighted the headline issues as set out on page 5 of the agenda.

Continuing, Mr Percival appraised elements of the document for Members, specifically:-

- Financial Statements
- Value for Money arrangements
- Statutory duties
- Materiality for the financial statements
- Significant audit risks

The Chairman invited Members to raise any points requiring clarification, of which the following were discussed:-

- Certification of the audit conclusion
- Management of override of controls - Auditor findings
- Valuation of property, plant and equipment – basis of Council's valuer valuation
- Employee remuneration - % of Council's operating expenses
- Publication of draft Annual Governance Statement

Mr Percival referred Members to pages 16, 18 and 22 of the agenda, namely:-

- Value for Money
- Action Plan
- Fees

to which the queries relating to the following were addressed:-

- Internal control issues relating to IT issues (update(s) to be reported to the next meeting of the Committee)
- Proposed total audit fees

Members subsequently voted to receive the report, which was declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee the Audit Findings for the Council for the year ended 31 March 2018 be received.

Mr Percival thanked the Council's Principal Accountant and her Team for their assistance in preparing the accounts and facilitating the audit.

**AAC14 Financial Statements Audit 2017/18 - Management Representation Letter**

Considered the report of the Head of Finance (V1 19/07/18) presenting the Management Representation Letter for 2017/18.

Mr Kean reminded Members of the formal conclusion process for the Council's accounts.

Members then voted on the recommendation as set out, which was declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee the Management Representation Letter for 2017/18 be endorsed.

The Management Representation Letter was subsequently signed by the Chairman of the Committee.

#### AAC15 **Statement of Accounts 2017/18**

Considered the report of the Head of Finance (V1 19/07/18) and the associated booklet presenting the audited Statement of Accounts for 2017/18 for approval by the Committee.

Introducing the report, the Head of Finance paid tribute to the work of the Principal Accountant and her Team in preparing the Council's draft accounts by the 31 May 2018 deadline.

Continuing, the Principal Accountant made specific reference to the following:-

- Narrative report
- Comprehensive income and expenditure account
- Movement in reserves statement
- Balance sheet
- Cash flow statement

Members asked for a number of points of clarification to which Officers responded accordingly, following which the Committee voted on the recommendation as set out, which was declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee the audited Statement of Accounts for 2017/18 be approved.

#### AAC16 **Annual Treasury Management Report 2017/18**

Considered the report of the Head of Finance (V1 18/07/18) updating Members on treasury management activity and performance during the 2017/18 financial year.

The Head of Finance referenced the overall treasury position as at 31 March 2018, as set out in paragraph 5.7 of the report and provided a response to a question regarding borrowing outturn for 2017/18.

Members then voted on the recommendations as set out, which were declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee:-

- (a) the annual treasury management report for 2017/18 be noted;
- (b) the actual 2017/18 prudential and treasury indicators as set out in the Appendix to the report be approved.

**AAC17 Work Programme - Audit Accounts Committee**

Considered the report of the Head of Law and Administration (V2 18/07/18) presenting the Committee's work programme.

Members then voted on the recommendation as set out, which was declared to be carried.

**RESOLVED:-** that in exercise of the powers delegated to the Committee the Work Programme be received.

CHAIRMAN