

COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: THE CHAIR AND MEMBERS OF THE AUDIT COMMITTEE

SUBJECT: SPECIAL AUDIT COMMITTEE – 12TH SEPTEMBER, 2017

REPORT OF: BUSINESS SUPPORT OFFICER (DEMOCRATIC & CORPORATE SUPPORT)

PRESENT: COUNCILLOR L. Elias (VICE-CHAIR IN THE CHAIR)

Councillors M. Cross
G.A. Davies
G.L. Davies
P. Edwards
S. Healy
M. Moore
L. Parsons
S.C. Thomas
H. Trollope

**WITH: Head of Financial Services
Head of Internal Audit
Chief Accountant Corporate Services
Information & Governance Officer**

**AND: Wales Audit Office
Phil Pugh
Neill Hollis**

DECISIONS UNDER DELEGATED POWERS

| ITEM | SUBJECT | ACTION |
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| No. 1 | <p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p> | |
| No. 2 | <p><u>APOLOGIES</u></p> <p>The following apologies for absence were reported:</p> <p>Mr. Peter Williams, Councillors G. Collier, W. Hodgins and H. McCarthy, B.A. (Hons)</p> | |
| No. 3 | <p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>No declarations of interest or dispensations were reported.</p> | |
| No. 4 | <p><u>ANNUAL GOVERNANCE STATEMENT</u></p> <p>Consideration was given to report of the Head of Internal Audit.</p> <p>At the invitation of the Chair, the Head of Internal Audit presented the final version of the Annual Governance Statement for 2016/17. The draft was submitted to a previous meeting, and the main changes related to the amendments to the recommendations for development, the provision of an opinion under the certification of the statement, and the addition of information, in the form of an action plan, that summarised progress from 2015/16.</p> <p>A Member referred to page 20 of the Annual Governance Statement and pointed out that the role of the Programme Management Board was to develop projects for consideration. However, any decision on those projects would be made formally through the democratic process, and it was important that this be reflected in the document.</p> <p>The Officer confirmed that this comment would be taken on</p> | |

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| | <p>board, and it was also intended to provide an additional page with links to key documents.</p> <p>A Member expressed concern that there was no reference within the document regarding the need for adequate IT for Members to enable them to fulfil their role. He also referred to the Council’s Code of Conduct, and said the use of social media should also be included in relation to standards of behaviour for Members/Officers.</p> <p>In response the Head of Internal Audit confirmed that the issue relating to the Code of Conduct would be addressed. However, the provision of adequate IT for Members would need to be considered under the arrangements of the SRS.</p> <p>RESOLVED that the report be accepted and the Audit Committee acknowledge the contents of the AGS to ensure that it is consistent with their knowledge and understanding of the wider issues affecting the Council.</p> | |
| <p>No. 5</p> | <p><u>STATEMENT OF ACCOUNTS 2016/2017</u></p> <p>Consideration was given to report of the Chief Finance Officer.</p> <p>At the invitation of the Chair, the Chief Accountant Corporate Services presented the Statement of Accounts for 2016/17 which had been prepared in accordance with the Accounts and Audit (Wales) Regulations 2014 and the Public Audit (Wales) Act 2004. If approved by the Audit Committee the Authority would then anticipate receiving an unqualified signed audit opinion from the Auditor General by 30th September, 2017, and publication of the Statement of Accounts for 2016/17.</p> <p>He confirmed that the Accounts were subject to a 4 week period of statutory public inspection from 24th July to 18th August, 2017, and the Officer confirmed that no requests for information or inspection were received during that period, and no objections were raised by the Wales Audit Office. However, since the period of public inspection correspondence had been received which was currently being investigated by the WAO.</p> <p>The Officer pointed out that Welsh Government was proposing</p> | |

to amend the statutory deadlines for publication of the Accounts from 2019, however, he was pleased to report that progress had been made in achieving the initial first stage deadline two years ahead of the proposed statutory requirement.

The Officer then went through the financial implications detailed at section 4 of the report and highlighted points contained therein. The audit of the accounts had resulted in one material adjustment, relating to the prior year classification of grants distributed by the EAS for South East Wales. There had also been a number of amendments to information included in the disclosure notes, however, in overall terms these changes would not substantially change the Accounts compared to the draft version considered by the Committee in July 2017.

In response to a question raised by a Member, the Officer confirmed that the overstatement of other land at buildings (£0.442m) detailed at section 4.4.1 of the report would not impact on the capital programme.

A brief discussion ensued when the Officer clarified points raised.

The Chair thanked the Officer and the Accountancy and Financial Planning Division for their continued excellent work in preparing the Accounts.

RESOLVED that the report be accepted and, on consideration of the External Auditor's report and the detailed report attached, that the Accounts be approved by the Audit Committee under the delegated authority of the Council.

No. 6

AUDIT OF FINANCIAL STATEMENTS REPORT BLAENAU GWENT COUNTY BOROUGH COUNCIL 2016/17

The report of the Council's External Auditors, the Wales Audit Office was submitted for consideration.

At the invitation of the Chair the WAO Representative presented the report and took the opportunity to thank his team, particularly Neall Hollis for their work on the Accounts.

The WAO Representative went through the report in detail for the benefit of new Members, and highlighted points contained therein. He confirmed that the draft financial statements were received by WAO on 26th June, 2017 which was in line with the agreed deadline, and the audit work had now been substantially completed. It was the Auditor General's intention to issue an unqualified audit report on the financial statements, once the Authority had provided a Letter of Representation, as set out in Appendix 1, and currently the proposed date for sign-off was the 28th September, 2017.

He confirmed that correspondence had been received very recently which WAO was duty bound to consider. He was unable discuss the nature of the correspondence, but confirmed that any issues would be considered prior to sign-off of the Accounts by the Auditor General.

A brief discussion ensued when the WAO Representative clarified points raised, and it was

RESOLVED that the report be accepted and the information contained therein be acknowledged.