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Meeting	Audit & Governance Committee
Date	29 July 2019
Present	Councillors Pavlovic (Chair), Fisher (Vice-Chair), D Taylor, Webb, Lomas and Hook (Substitute for Councillor Wann) Mr Mendus (Independent Member)
Apologies	Councillors Mason, Wann and Mr Mann (Independent Member)

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## 12. Declarations of Interest

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda.

Councillor Fisher declared a personal interest in Agenda Item 5 as he was a former CYC employee and in receipt of a teachers pension.

Councillor Webb declared he was a current teacher and paying in to the Teachers' Pension Scheme.

## 13. Minutes

Resolved: That the minutes of the meeting held on 19 June 2019 be approved and then signed by the Chair as a correct record.

### Matters Arising

Members raised the following matters arising from the minutes, which were still outstanding:

- Page 2 – Officers to send Members details of the membership of the Resilient Communities Group
- Page 3 – Officers to provide details of Equalities Impact Assessments to Members
- Page 6 – The Head of Internal Audit to check on the involvement of the Joint Standards Committee in producing the Whistleblowing Policy and report this back to Members.

#### **14. Public Participation**

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme, however one had been unable to attend the meeting.

Gwen Swinburn, a resident, spoke on the 2016 External Audit Public Interest Report and the Citizens' Audit objection she had made relating to this. Ms Swinburn stated that the related action plan was due to be reviewed this year and requested that the Committee ask the Monitoring Officer for a report on this. She also raised her concerns on the Constitution, which she suggested had not been updated since mid 2017 and contained hundreds of errors. She asked that the Committee ask for a housekeeping review of this document. Finally she raised items being considered at Staffing Matters and Urgency Committee in relation to a tp-tier staff restructure and Non-disclosure Agreements.

#### **15. Mazars Audit Completion Report**

Members considered the Audit Completion Report from Mazars which presented the findings of the audit for the year ended 31 March 2019.

The Engagement Lead (Partner) and Senior Manager, Mazars attended the meeting to present the report. They stated that they would be able to give an unqualified opinion on the accounts and an unqualified value for money conclusion by the statutory deadline of 31 July. They explained that they would write to the Committee to confirm closing procedures within the next few days. Finally, they thanked the finance team for their support and cooperation.

In response to member questions they stated:

- Misstatements identified were minor in nature and few in number. None had a material impact on the accounts;
- The letter attached at Annex B was standard across all Councils;
- Misclassifications in relation to the Housing Revenue Account were minor but additional information on the nature and value of adjustments would be included in the communication which would be sent over the next few days;

- There were adjusted misstatements every year, however the materiality of them may change;
- Mazars audited a number of sets of Local Government Accounts and CYC produced good quality accounts with only minor errors; and
- The Community Stadium was not classified as a significant risk.

Members thanked Mazars and CYC staff for their work.

Resolved: That Members note the matters set out in the Audit Completion Report presented by the external auditor.

Reason: To ensure the proper consideration of the opinion and conclusions of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money.

## **16. Final Statement of Accounts**

Members considered a final set of accounts for 2018/19 to reflect changes made since the draft pre-audit accounts were presented to this committee on 19 June 2019.

The Finance & Procurement Manager and Technical Accountant attended the meeting to present the accounts. They explained that there had been no significant issues or major adjustments made, publication had been slightly delayed due to changes in relation to pensions, however these were minor changes. All changes made since the last meeting were highlighted in the agenda supplement.

In response to Member questions they stated:

- In relation to the Revenue Support Grant and Business Rates Pool, CYC had not missed out but Officers would check the detail;
- Details on student Council Tax discount and costs to the Council to be circulated to Members;
- Within the unallocated contingency, the underspend had masked movement in some areas and the budget amendment in July had put some further growth in to

those areas. Quarterly monitoring reports were considered at both Executive and the relevant scrutiny Committees;

- The Revaluation programme was a way of revaluating all assets on a rolling basis as it was unrealistic to do everything annually due to the size of the property team and number of assets held by the Council. All assets were valued at least every 5 years under this programme. Larger value assets were reviewed annually;
- The Officer responsible for Shared Ownership had been away for an extended period, but the scheme was now progressing and there would be more activity;
- School buildings and land that were leased to academies were shown with an asset value of nil, or as a disposal, due to the CIPFA code of practice, as the academy had use of the asset.

Resolved: That Members approve the amended Annual Financial Report at Annex A for signature by the Chair from a resolution of this Committee in accordance with the Accounts and Audit Regulations 2015.

Reason: To ensure compliance with the International Auditing Standards and other relevant legislative requirements.

## 17. **Forward Plan**

Members received the future plan of reports expected to be presented to the Committee during the forthcoming year to June 2020.

Members requested that the following items be added to the Forward Plan:

### 1. September

- KCR Report:
  - KCR 7 – York Central to be considered in detail
  - KCR 11 (Brexit) to be added
- Constitution and Governance Update Report (ahead of the paper to Executive)

### 2. December

- Review of the effectiveness of the Audit & Governance Committee

3. Update on the Public Interest Report and Action Plan.  
Officers stated they would check on this and update the Committee.

Resolved: That the Forward Plan be approved, subject to the above amendments.

Councillor Pavlovic, Chair

[The meeting started at 5.30 pm and finished at 6.20 pm].

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