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31 October 2018

AUDIT AND GOVERNANCE COMMITTEE

A meeting of the Audit and Governance Committee will be held in Committee Room 1 [the Pink Room] at the Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF on **Thursday, 15 November 2018 at 6.00pm** and you are requested to attend.

Members: Councillors Chapman (Chairman), Mrs Oakley (Vice-Chair), Ambler, Blampied, Brooks, Cates, Dendle, Mrs Porter, Purchase and Wheel

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members and officers are invited to make any declarations of pecuniary, personal and/or prejudicial interests that they may have in relation to items on the agenda, and are reminded that they should re-declare their interest before consideration of the item or as soon as the interest becomes apparent.

Members and officers should make their declaration by stating:

- a) the item they have the interest in
- b) whether it is a pecuniary, personal and/or prejudicial interest
- c) the nature of the interest

3. MINUTES

To approve as a correct record the Minutes of the meeting held on 26 July 2018 (which have been previously circulated.)

4. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES.

5. INDEPENDENT REMUNERATION PANEL – RECRUITMENT UPDATE (Pages 1 - 2)
The Committee Services Manager will provide a verbal update on Panel recruitment.

6. ERNST & YOUNG – ANNUAL AUDIT LETTER (Pages 3 - 26)
The Committee is requested to note the **attached** correspondence.

7. ERNST & YOUNG – ANNUAL CERTIFICATION REPORT – 2017/18 (Pages 27 - 34)
The Committee is asked to approve the Annual Certification Report for 2017/18 which is **attached**.

8. TREASURY MANAGEMENT MID-YEAR REVIEW – 2018/2019 (Pages 35 - 52)
Attached is the Treasury Management Interim Report for 2018/2019.

9. FINANCIAL MANAGEMENT SYSTEM – POST IMPLEMENTATION REVIEW (Pages 53 - 76)
The Council implemented a new Financial Management System (FMS) that went live in October 2016.

A post implementation review of the Accounts Payable module of the FMS was carried out as a result of a request by the Corporate Management Team and the

Financial Services Manager, with a report issued in June 2018.

This report is supported by a presentation providing members with an overview of the FMS and more detail on the key findings in conjunction with the associated risks identified during the review.

Improvements identified during the review are included in Appendix 1 to this report.

10. REVISED STRATEGIC RISK REGISTER 2018/19 (Pages 77 - 94)

The Council's Strategic Risk Register has been reviewed and revised to reflect changes since its last update in December 2017.

11. PROGRESS AGAINST THE AUDIT PLAN (Pages 95 - 100)

The Committee is required to oversee the provision of an adequate and effective internal audit service. Part of this process is to monitor delivery of progress against the Audit Plan and to receive summaries of reports issued.

The Committee is requested to note the contents of the reports **attached**.

12. SUMMARY OF FINDINGS FROM REPORTS ISSUED JUNE TO OCTOBER 2018 (Pages 101 - 120)

The Committee is presented with the summary of the significant findings arising from audit reports issued between June and October 2018.

13. FUTURE WORK PLAN FOR THE AUDIT & GOVERNANCE COMMITTEE (Pages 121 - 124)

The Committee is requested to approve the **attached** draft work plan for 2018/19.

14. INFORMATION/ADVISORY DOCUMENTS RECEIVED (Pages 125 - 128)

The Cabinet Office has issued its National Fraud Initiative report covering the period 1 April 2016 to 31 March 2018 – this can be accessed by clicking on this link: [National Fraud Initiative Report](#)

A hard copy of this document has been placed in the Members Room or can be obtained upon request from Committee Services.

CIPFA has issued its Fraud & Corruption Tracker report covering the period 2017/18 – this can be accessed by clicking on this link: [Fraud & Corruption Tracker Report](#)

(Note: Members are also reminded that if they have any detailed questions, would they please inform the Chairman and/or relevant Lead Officer in advance of the meeting in order that the appropriate Officer/ Cabinet Member can attend the meeting.)