

Minute of Meeting



Audit Committee
Tuesday 12 December 2017
Item No: 4.1

Audit Committee

Date	Time	Venue
Tuesday 26 September 2017	3.00pm	Council Chambers, Midlothian House, Dalkeith, EH22 1DN

Present:

Mike Ramsay (Independent Chair)	
Councillor Baird	Councillor Hardie
Councillor Milligan	Councillor Muirhead
Councillor Smail	

In attendance:

Stephen Reid	Ernst & Young LLP
John Boyd	Ernst & Young LLP
Kenneth Lawrie	Chief Executive
John Blair	Director Resources
Mary Smith	Director Education, Communities and Economy
Gary Fairley	Head of Finance and Integrated Service Support
Elaine Greaves	Internal Audit Manager
Myra Forsyth	Quality and Scrutiny Manager
Mike Broadway	Democratic Services Officer

1. Welcome and introductions

The Chair, Mike Ramsay welcomed everyone to the meeting, following which there was a round of introductions.

2. Apologies

Apologies were received from Councillor Parry.

3. Order of Business

The order of business was confirmed as outlined in the agenda that had been previously circulated. Due to the publication timescales the Committee, on the recommendation of the Chair, agreed to deal with the agenda business as urgent.

4. Declarations of interest

No declarations of interest were received.

5. Minutes of Previous Meetings

The minutes of the Audit Committee meeting of 20 June 2017 were submitted and approved as a correct record.

6. Reports

Report No.	Report Title	Presented by:
5.1	Midlothian Council Annual Audit Report to Members and the Controller of Audit for the Financial Year ended 31 March 2017	Stephen Reid, Ernst & Young LLP

Outline of Report

There was submitted the Annual Audit Report to Members and the Controller of Audit for the Financial Year ended 31 March 2017, prepared by the External Auditors, Ernst & Young LLP. The report advised, inter alia, that the external auditors intended to issue an unqualified opinion on the financial statements for the financial year ended 31 March 2017. In addition, the report provided detailed information on: Financial management; Financial sustainability; Governance and Transparency; and Value for Money.

Summary of Discussion

The Committee, having heard from the External Auditors in amplification of their report, discussed a number of issues arising therefrom, viz:- the level of useable reserves; the level of the Council's cash assets; the approach to Treasury Management generally; and the pension deficit.

Decision

- (a) To note and approve the Annual Audit Report;

- (b) To note that Audit Scotland's 2015/16 Financial overview report on Local Government in Scotland would offer the opportunity to draw comparative analysis with other Councils;
- (c) To note the position in relation to pension liabilities;
- (d) To record the Committee's appreciation of the work undertaken by the Finance Team in assisting the External Auditors in the preparation of the report; and
- (e) To record the Committee's thanks to Ernst & Young LLP.

Report No.	Report Title	Presented by:
5.2	Financial Statements 2016/17	Gary Fairley

Outline of Report and Summary of Discussion

There was submitted a report, dated 22 September 2017, by the Head of Finance and Integrated Service Support presenting the Council's Audited Financial Statements for 2016/17, and providing an overview of the main changes made during the audit process.

Decision

The Committee, having heard from the Head of Finance and Integrated Service Support, who responded to Members questions, agreed to approve the Audited Financial Statements for 2016/17.

7. Private Reports

No private business was discussed at this meeting.

8. Date of Next Meeting

The next meeting of the Audit Committee would be held on Tuesday 12 December 2017 at 11.00 am.

The meeting terminated at 3.28 pm.