

Audit Committee Minutes

Date: 5 March 2015

Time: 7.00 - 8.30 pm

PRESENT: Councillor M C Appleyard (in the Chair)

Councillors J L Richards OBE, A D Collingwood, P R Turner, D M Watson, I Bates and R Farmer

Also present: Sue Gill (External Auditor, EY)

44 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor R Wilson and Maria Grindley, Audit Director EY.

45 DECLARATIONS OF INTEREST

There were no declarations of interest.

46 MINUTES

RESOLVED: That the minutes of the meeting held on 15 January 2015 be confirmed as a correct record and signed by the Chairman.

47 HEALTH & SAFETY WORK PROGRAMME 2015-16

The Committee considered the Health and Safety Work Programme for 2015/16. It was noted that the Health & Safety Adviser had met with officers across each of the six service areas to identify the health and safety risks faced by each service and to assess the arrangements in place to respond. As a result of this work a range of improvement areas had been identified, which had informed production of the work programme for 2015/16.

Members considered that there were a significant number of actions within the programme, and requested that an update report on progress be brought to the Committee in November 2015, with this report to also include the most up to date statistics.

RESOLVED:

- (i) That the Health and Safety Work Programme for 2015/16 be noted.
- (ii) That a mid-year update be brought to the Committee in November 2015, to include figures for 'near misses' and other accident statistics.

48 CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2013-14

The Committee received the EY Certification of Grants and Claims Annual Report 2013/14. It was noted that the report related to the certification of housing benefits subsidy only, as there was no longer a requirement to certify the National Non-Domestic Rates return. No recommendations for action had been identified in the report.

RESOLVED: That the EY Certification of Grants and Claims Annual Report 2013/14 be noted.

49 EY ANNUAL AUDIT PLAN 2014-15

The Committee received the EY Annual Audit Plan for 2014/15. Susan Gill, EY Audit Manager, presented the plan and reported that one significant risk to the opinion on the financial statement had been identified (risk of management override), which is considered at all audits.

RESOLVED: That the EY Annual Audit Plan for 2014/15 be noted.

50 EY ANNUAL FEE LETTER 2014-15

The Committee received the Annual Audit and Certification Fees letter for 2014/15. It was noted that the indicative audit fee had initially been set at the scale fee level. Members noted that the final fee for both audit and certification work would be reported back to the Committee in due course.

RESOLVED: That the Annual Audit and Certification Fees letter 2014/15 be noted.

51 IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS 2013/14

Mike Howard, Audit Risk & Fraud Manager, presented a report which provided details of the eight internal audit recommendations which had not been implemented by their due date, and progress against these. He advised that Service Managers had been made aware that they may be required to attend the Committee if recommendations were not implemented, and reported that he was satisfied that the outstanding recommendations would be completed shortly.

Members agreed that future update reports should include the date when the recommendation was originally made, to assist members in identifying those which had been most delayed.

It was requested that the Audit, Risk & Fraud Manager provide an update on whether those timescales shown in the report which had now passed had been met.

RESOLVED: That the implementation of internal audit recommendations be noted.

52 ANNUAL REVIEW OF THE AUDIT COMMITTEE TERMS OF REFERENCE

Members considered a report which proposed revised terms of reference for the Audit Committee. The Committee noted that the changes which were proposed were minor, and were recommended in order to ensure the terms of reference reflected the most up to date CIPFA guidance.

The Chairman also reported that at the most recent Performance Indicator Analysis meeting it had been agreed to recommend to Cabinet that the Audit and Improvement & Review Commission Performance Indicator meetings be disbanded, and that all performance indicators collated for each quarter be referred to the Audit Committee. The Committee agreed that a recommendation should be made to Council to amend its terms of reference accordingly.

RESOLVED:

- (i) That point 'r' be amended to read as follows:

'Consider the annual internal audit opinion and report which provides an overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control prior to its signature by the Leader of the Council and Chief Executive.'

- (ii) That subject to (i) above, the revised terms of reference, incorporating the changes shown tracked in Appendix A of the report, be approved and that Council be recommended to amend the Constitution accordingly;
- (iii) That Council be recommended to add the analysis of Key Performance Indicators and identification of actions required to the terms of reference of the Audit Committee.

53 FEEDBACK FROM PERFORMANCE INDICATOR ANALYSIS MEETING

This was considered under minute 52 above.

54 AUDIT COMMITTEE WORK PROGRAMME

The Committee reviewed its work programme as appended to the agenda.

As the next meeting in June would be the first meeting of the Committee following the elections, it was agreed that where possible items should be deferred until the September meeting. It was also agreed that training should be arranged (either at the June meeting or on a separate occasion) to support new members of the committee.

RESOLVED: That subject to the comment above, the work programme be approved.

55 ISSUES LOG

The Committee considered the Issues Log, detailing the key recommendations and improvements made by the Committee and progress against these recommendations.

It was agreed that the Log should be updated to include the request made earlier in the meeting in relation to including a mid-year health and safety update to the Committee.

RESOLVED: That the Issues Log be noted and updated as detailed above.

56 INFORMATION SHEETS

RESOLVED: That Information Sheet 01/2015 Regulation of Investigatory Powers Act 2000 Annual Report 2014 be noted.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the Press and Public be excluded from the meeting during consideration of the following item as it contains exempt information as defined in Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, more particularly as follows:

Minute 57 – Risk Management Update (verbal report)

Information relating to the financial or business affairs of any particular person (including the authority holding that information (Paragraph 3, Part 1 of schedule 12A, Local Government Act 1972)

[The need to maintain the exemption outweighs the public interest in disclosure because disclosure could prejudice the Council's position in any future tender process or negotiations]

57 RISK MANAGEMENT UPDATE

As requested at the last meeting, the Committee received an update from the Corporate Director in relation to risk 14 (waste collection), and the actions being taken to mitigate the risk.

RESOLVED: That the risk management update be noted.

Chairman

The following officers were in attendance at the meeting:

- Emma Lund - Senior Democratic Services Officer
- Mike Howard - Audit, Risk and Fraud Manager
- Ian Westgate - Corporate Director