

# MINUTES OF AUDIT AND ETHICS COMMITTEE

9 JUNE 2020

## PRESENT:

**Members of the Committee:** Paul Dudfield (Chairman), John Eves (Vice Chairman), Councillors Cranham, McQueen, Mistry and Pacey-Day

**In attendance:** Grant Patterson (Director – Grant Thornton) and James McLarnon (Manager – Grant Thornton)

## 1. MINUTES

The minutes of the meeting held 28 January 2020 were approved by the Chairman.

## 2. EXTERNAL AUDIT PLAN 2019/20

The Committee considered the report presented by the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 4). Representatives from Grant Thornton, the Council's appointed external auditor, were in attendance at the meeting to present the 2019/20 External Audit Plan for Rugby Borough Council (Part 1 – Agenda Item 4 – Appendix 1). The report included a specific update in relation to COVID-19.

**RESOLVED THAT** – the updated External Audit Plan and fee for 2019/20 be approved.

## 3. INFORMING THE AUDIT RISK ASSESSMENT FOR RUGBY BOROUGH COUNCIL 2019/20

The Committee considered the report presented by the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 5). Representatives from Grant Thornton, the Council's appointed external auditor, were in attendance at the meeting to present the 2019/20 Informing the Audit Risk Assessment for Rugby Borough Council (Part 1 – Agenda Item 5 – Appendix).

**RESOLVED THAT** – the Committee confirmed that it was satisfied with arrangements currently in place as identified in the report.

## 4. AUDIT PROGRESS REPORT AND SECTOR UPDATE 2019/20

The Committee considered the report presented by the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 6). Representatives from Grant Thornton, the Council's appointed external auditor, were in attendance at the meeting to present the 2019/20 Audit Progress Report and Sector Update for Rugby Borough Council (Part 1 – Agenda Item 6 – Appendix).

**RESOLVED THAT** – the 2019/20 external audit interim progress report and sector update be noted.

## **5. ACCOUNTING POLICIES UPDATE 2019/20**

The Committee considered the report of the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 7) concerning accounting policies applied in preparation and presentation of financial statements.

**RESOLVED THAT** – the Council’s accounting policies for 2019/20 be approved.

## **6. STRATEGIC RISK REGISTER AND RISK MANAGEMENT UPDATE**

The Committee considered the report of the Corporate Assurance and Improvement Manager (Part 1 – Agenda Item 8) concerning the Council’s strategic risks and the arrangements in place for monitoring and managing those risks.

The Committee was informed that the Strategic Risk Register was due to be reviewed week commencing 15 June.

**RESOLVED THAT** –

- (1) the report be noted; and
- (2) upon completion of the review, the Committee be presented with the revised Strategic Risk Register.

## **7. INTERNAL AUDIT PLAN AND UPDATE 2020/21**

The Committee considered the report of the Corporate Assurance and Improvement Manager (Part 1 – Agenda Item 9) concerning the Internal Audit Plan for 2020/21 and the Council’s internal audit activity.

The Committee did not identify any additional work for inclusion in the Internal Audit Plan for 2020/21.

A member of the Committee queried whether a report, setting out the current position, could be produced on Climate Change. The report could be used as a benchmark for future internal audit (likely to be scheduled in the next financial year) and progress reviews.

**RESOLVED THAT** –

- (1) the Internal Audit Plan for 2020/21 be approved; and
- (2) the Corporate Assurance and Improvement Manager to inquire with the Head of Environment and Public Realm whether a baseline report on Climate Change could be produced and circulated.

## **8. ANNUAL REPORT OF THE CORPORATE ASSURANCE AND IMPROVEMENT MANAGER**

The Committee considered the report of the Corporate Assurance and Improvement Manager (Part 1 – Agenda Item 10) concerning the CAIM’s annual Internal Audit opinion.

**RESOLVED THAT** – the report be noted.

**9. MOTION TO EXCLUDE THE PUBLIC UNDER SECTION 100(A)(4) OF THE LOCAL GOVERNMENT ACT 1972**

**RESOLVED THAT** – under Section 100(A) (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involved the likely disclosure of information defined in paragraphs 1, 2 and 3 of Schedule 12A of the Act.

**10. COVID-19 RISK REGISTER**

The Committee considered the private report presented by the Corporate Assurance and Improvement Manager (Part 2 – Agenda Item 1).

**RESOLVED THAT** – the report be noted.

**11. WHISTLE BLOWING INCIDENTS – STANDING ITEM – TO RECEIVE ANY UPDATES**

There were no issues to report.

**12. FRAUD AND CORRUPTION ISSUES – STANDING ITEM – TO RECEIVE ANY UPDATES**

One case was investigated by the Corporate Assurance and Improvement Manager.

**RESOLVED THAT** – the Committee be provided with an update at the next meeting.

**CHAIRMAN**