

MINUTES OF AUDIT AND ETHICS COMMITTEE

11 MAY 2016

PRESENT:

Members of the Committee:

Mr P Dudfield, Mr J Eves, Councillors Mrs Crane and Mrs O'Rourke

Officers:

Chris Green (Corporate Assurance Manager), Chris Blundell (Financial Services Manager), Jenny Varnish (Legal Officer) and Veronika Beckova (Democratic and Scrutiny Services Officer)

In attendance:

Paul Harvey (Grant Thornton)

33. MINUTES

The minutes of the meeting held on 2 February 2016 were approved and signed by the Chairman.

34. APOLOGIES

Apologies for absence from the meeting were received from Councillor Butlin.

35. ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

The committee considered the report presented by the Corporate Assurance Manager (Part 1 – Agenda Item 4).

During consideration of the item, the report was discussed in detail and the following additional points were made:

- The strategy is published on the Council's website and internally via InTouch.
- Awareness sessions for all relevant staff will be scheduled for quarters two and three.
- The review of the Whistle Blowing Policy is imminent.
- The Corporate Assurance Manager is the point of contact for whistle blowing.
- Since the new Corporate Assurance Manager's appointment in December 2015, there was one whistle blowing case reported, investigated and resolved.
- Investigation time is allocated within the audit plan.
- Some managers and officers are accredited to carry out fraud work but further training may be required.

RESOLVED THAT – IT BE RECOMMENDED TO CABINET THAT the Anti-Fraud, Bribery and Corruption Strategy be approved.

36. RISK MANAGEMENT STRATEGY

The committee considered the report presented by the Corporate Assurance Manager (Part 1 – Agenda Item 5).

RESOLVED THAT – IT BE RECOMMENDED TO CABINET THAT the Risk Management Strategy be approved subject to the members' and officers' comments.

37. INTERNAL AUDIT IMPROVEMENT PLAN PROGRESS UPDATE

The committee considered the progress report presented by the Corporate Assurance Manager (Part 1 – Agenda Item 6).

RESOLVED THAT –

- (1) the report be noted;
- (2) the revised Customer Satisfaction Questionnaire be noted;
- (3) the Key Performance Indicators be noted; and
- (4) the committee has agreed that the current way of reporting is sufficient at the moment.

38. 2015/16 INTERNAL AUDIT PROGRESS UPDATE

The committee considered the progress report presented by the Corporate Assurance Manager (Part 1 – Agenda Item 7).

During consideration of the item, the report was discussed in detail and the following additional points were made:

- 10 audits are at final report stage.
- 4 audits are at draft stage (three audit are on the verge of completion)
- The draft report for income management has now been issued.
- All reports finalised so far have resulted in full or substantial assurance.
- There are no significant issues affecting the Corporate Assurance Manager's opinion of the control environment.
- As previously reported, owing to previous resourcing issues, the annual Internal Audit opinion will be based upon a reduced level of coverage for 2015/16.
- Copies of all Internal Audit reports are available to members at any time and can be requested via the Corporate Assurance Manager or the Head of Corporate Resources.
- 89 per cent of the audit recommendations made in 2014/15 have been implemented.
- Following the committee's request at the last meeting regarding the two overdue audit recommendations, the appropriate officer was approached and provided an updated position (page 10 of the report).

RESOLVED THAT – the report be noted.

39. 2016/17 INTERNAL AUDIT PLAN

The committee considered the report presented by the Corporate Assurance Manager (Part 1 – Agenda Item 8).

RESOLVED THAT –

- (1) the report be approved;
- (2) the delegated authority be granted to the Head of Corporate Resources, in consultation with the Chairman, to approved any amendments to the Internal Audit Plan if necessary in between the committee meetings.

40. TREASURY MANAGEMENT

The committee considered the report presented by the Financial Services Manager (Part 1 – Agenda Item 9).

RESOLVED THAT –

- (1) the report be noted; and
- (2) appropriate treasury management committee training be arranged.

41. STATEMENT OF ACCOUNTS 2015/16 – ACCOUNTING POLICIES

The committee considered the report presented by the Financial Services Manager (Part 1 – Agenda Item 10).

RESOLVED THAT – the accounting policies to be used in completing the 2015/16 Statement of Accounts be approved.

42. INFORMING THE AUDIT RISK ASSESSMENT FOR RUGBY BOROUGH COUNCIL

The committee considered the report presented by the Financial Services Manager and Grant Thornton (Part 1 – Agenda Item 11).

RESOLVED THAT –

- (1) the report be approved; and
- (2) the Corporate Assurance Manager circulate the latest position on the six fraud cases to the committee via email.

43. DRAFT EXTERNAL AUDIT PLAN 2015/16

The committee considered the report presented by the Financial Services Manager and Grant Thornton (Part 1 – Agenda Item 12).

RESOLVED THAT –

- (1) the Draft External Audit Plan and proposed fee for 2015/16 be approved; and
- (2) schematics of the new Council's management structure be circulated to the committee via email.

44. CERTIFICATION OF GRANTS AND RETURNS – ANNUAL REPORT 2014/15

The committee considered the report presented by the Financial Services Manager and Grant Thornton (Part 1 – Agenda Item 13).

RESOLVED THAT – the Annual Report on the certification of the Council's grants and returns for 2014/15 be accepted.

45. 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 and 2 of Schedule 12A of the Act.

46. WHISTLE BLOWING INCIDENTS – STANDING ITEM – TO RECEIVE ANY UPDATES

There were no issues to report.

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

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

CHAIRMAN