

MINUTES OF AUDIT AND ETHICS COMMITTEE

27 MARCH 2018

PRESENT:

Members of the Committee: Mr P Dudfield (Chairman), Mr J Eves (Vice Chairman), Councillors Miss Lawrence, Mistry, Pacey-Day and Roodhouse

Officers: Chris Blundell (Financial Services Manager) and Veronika Beckova (Democratic Services Officer)

In attendance: Grant Patterson (Director – Grant Thornton) and Paul Harvey (Assistant Manager – Grant Thornton)

43. MINUTES

The minutes of the meeting held 30 January 2018 were approved and signed by the Chairman.

44. APOLOGIES

Apologies for absence from the meeting were received from Mannie Ketley (Head of Corporate Resources and Chief Financial Officer) and Chris Green (Corporate Assurance and Improvement Manager).

45. STATEMENT OF ACCOUNTS 2017/18

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

Representatives from Grant Thornton, the Council's appointed external auditor, were present at the meeting.

From 2018, the statutory deadline for production of draft accounts is 31 May and the inspection period is first 10 days in June. From the first week of July, Grant Thornton will be on site to carry their audit of the Council's financial statements.

The Financial Services Manager highlighted that the resourcing issues presented a risk to closure of accounts in-line with the new timetable. The committee and Grant Thornton acknowledged that there is an unusual resourcing issue in the Financial Services Team this year.

The committee agreed that:

- the production of an accurate set of accounts should be a priority;
- officers should aim for the statutory deadline of 31 May; and
- Financial Services Manager should seek guidance from Monitoring Officer with regards to any potential repercussions if the statutory deadline is missed.

The Director from Grant Thornton informed the committee that if the statutory deadline of 31 May is missed, they are duty bound to report that the Council has not complied with the deadline.

RESOLVED THAT –

- (1) the update to the 2016/17 audit action plan be noted;
- (2) the Council's accounting policies for 2017/18 be approved; and
- (3) the Financial Services Manager to seek guidance on potential repercussions if the statutory deadline of 31 May is missed.

46. 2017/18 EXTERNAL AUDIT – INTERIM PROGRESS REPORT

The committee considered the report presented by Grant Thornton (Part 1 – Agenda Item 5).

The committee was informed that as part of the 2016/17 External Audit, Grant Thornton performed a high level review of the general IT control environment as part of the overall review of the internal controls system.

Due to the ICT Manager, who is the owner of the action plan, being on long-term absence, Grant Thornton were unable to obtain an update on the implementation of their recommendations in response to IT controls weaknesses identified.

The Financial Services Manager informed that the ICT Manager has left the organisation and that the vacant post is being reviewed prior to advertisement.

RESOLVED THAT – the 2017/18 external audit interim progress report be noted.

47. INFORMING THE AUDIT RISK ASSESSMENT

The committee considered the report presented by Grant Thornton (Part 1 – Agenda Item 6).

RESOLVED THAT – the arrangements currently in place identified in the report be confirmed.

48. MANAGING HIGH PRIORITY STRATEGIC RISKS

The committee considered the report presented by the Financial Services Manager (Part 1 – Agenda Item 7).

Managing High Priority Strategic Risks

Corporate Strategy Priority: Effectiveness (Appendix A)/Governance (Appendix C)

The committee felt that succession planning should form part of the existing internal controls. The Financial Services Manager informed the committee that succession planning and development of staff are part of the long list of controls in place throughout the organisation and are topics covered by the Service Planning Workshops. The Council also operates a Corporate Apprentice Scheme as a tool to develop staff for progression throughout the Council.

The committee placed on record their concern with regards to the capacity of staff, current resourcing issues and associated risks. The committee's recommendation was for officers to review the relevant controls in place and consider how they can be strengthened and reporting clarified.

RESOLVED THAT –

- (1) the Strategic Risk Register be noted; and
- (2) the existing internal controls be reviewed.

49. 2017/18 INTERNAL AUDIT PLAN – PROGRESS UPDATE

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

With reference to the overdue implementation of actions relating to the IT audits, the Financial Services Manager restated the delays caused by the long-term sickness of the ICT Manager.

With reference to the overdue implementation of one outstanding action from the Fees and Charges audit, the Financial Services Manager informed the committee that the Council's solicitor role had been vacant for a number of months.

The committee raised a concern with regards to the level of key post vacancies across the Council.

Details of Overdue Audit Recommendations – Health and Safety

As the implementation of the agreed audit recommendation has been delayed for several months, the committee felt that the progress should be closely monitored.

A member of the committee highlighted that the management comments do not reflect the Health and Safety Members' Working Party as a process in place to monitor health and safety across the Council.

RESOLVED THAT –

- (1) the report be noted; and
- (2) the deferral of the Residential Landlord Health and Safety compliance audit to the first quarter of 2018/19 be approved.

50. 2018/19 INTERNAL AUDIT PLAN

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

RESOLVED THAT – the internal audit plan for 2018/19 be approved.

51. 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.

52. CORPORATE CREDIT CARDS INTERNAL AUDIT REPORT

The committee considered the private report presented by the Financial Services Manager (Part 2 – Agenda Item 1).

RESOLVED THAT – the action plan progress update be noted.

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

There were no issues to report.

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

There were no issues to report.

CHAIRMAN