

MINUTES OF AUDIT AND ETHICS COMMITTEE

8 NOVEMBER 2016

PRESENT:

Members of the Committee:

Mr P Dudfield (Chairman), Mr J Eves (Vice Chairman), Councillors Mrs Crane and Roodhouse

Officers:

Mannie Ketley (Head of Corporate Resources and Chief Financial Officer), Chris Green (Corporate Assurance and Improvement Manager), Chris Blundell (Financial Services Manager) and Veronika Beckova (Democratic Services Officer)

In attendance:

Councillor Butlin (Observer) and Paul Harvey (Assistant Manager – Grant Thornton)

19. MINUTES

The minutes of the meeting held 13 September 2016 were approved and signed by the Chairman.

20. DECLARATIONS OF INTEREST

Agenda Item 5 – Internal Audit Improvement Plan – Progress Update

Mr J Eves (Vice Chairman) declared a general pecuniary interest by virtue of being a personal friend of one of the renderers. Mr Eves left the meeting whilst this item was being considered.

21. TREASURY MANAGEMENT REPORT 2016/17

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

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

3. Economic Review April – September 2016

- Since the report was published, the Financial Services Manager received an update. Forecasts have moved away from reducing interest rates and it is now expected that rates could go up or down largely due to better than expected growth in the short term but also the risk of inflation.

- Forecast for growth has increased from 2% to 2.2% for 2016 and from 0.8% to 1.4% for 2017. Forecast for growth for 2018 has reduced.
- Forecast for inflation is expected to increase to 2.7% by 2017 comparing to the current rate of 1.3%.

4. Outlook for Interest Rates

- The Financial Services Manager is awaiting an updated forecast table from the council's treasury advisor.

RESOLVED THAT –

- (1) the report be noted; and
- (2) the monitoring and review of the Treasury Management indicators be agreed.

22. IMPROVEMENT PLAN PROGRESS UPDATE

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

A member enquired whether the review carried out by Tilia Solutions could include quality control and performance measurement. Officers have noted the request and will discuss it with Tilia Solutions.

RESOLVED THAT –

- (1) the Internal Audit Improvement Plan and Progress Update be noted; and
- (2) the commissioning of Tilia Solutions to undertake the external assessment of the internal audit service be approved.

23. INTERNAL AUDIT PROGRESS UPDATE

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

RESOLVED THAT –

- (1) the report be noted; and
- (2) the proposed amendment to the Internal Audit Plan for 2016/17 be approved.

24. 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.

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

There were no issues to report.

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

One case is being currently investigated by the Corporate Assurance and Improvement Manager.

RESOLVED THAT – the committee be updated on the outcome of the investigation at a future meeting.

CHAIRMAN