

AUDIT AND RISK COMMITTEE

Monday, 18th November, 2013

Present:- Councillor Paul Waring – in the Chair

Councillors Loades, Mrs Peers, Hambleton and Rout

Phil Butters – Independent Member

John Gregory and Suzi Joberns – Grant Thornton (external auditors)

1. **APOLOGIES**

An apology for absence was received from Councillor Mrs Cornes

2. **DECLARATIONS OF INTEREST**

There were none

3. **MINUTES OF PREVIOUS MEETINGS**

Resolved:- That the minutes of the meeting of this committee held on 23rd September 2013 be approved as a correct record.

4. **HEALTH AND SAFETY APRIL 2013 TO OCT 2013**

Consideration was given to a report advising of issues and trends regarding health and safety at the Council during the period April to October 2013.

Resolved:- That the information be received.

5. **CORPORATE RISK MANAGEMENT JULY TO SEPTEMBER 2013**

The committee considered a report providing an update on progress made by the Council in enhancing and embedding risk management for the above period, including progress made in managing the identified corporate risks.

It was indicated that no issues had been raised since the committee had last met.

It was agreed that risk levels should be challenged regularly and that members would benefit from a narrative being included in future reports to explain why risk levels are what they are.

Resolved:- (a) That the committee continues to scrutinise the progress made in managing the risks identified within the Strategic, Operational, Project and Partnership Risk Registers where applicable.

(b) That committee notes the new risks identified between July and September 2013.

(c) That the committee, identify as appropriate, risk profiles to be scrutinised in more detail as part of its responsibility at the next meeting.

6. TREASURY MANAGEMENT HALF YEARLY REPORT 2013

The committee was asked to receive the Treasury Management Half Yearly Report for 2013/14 and to review Treasury Management activity for the same period.

The Treasury Management Half Yearly Report was circulated to all members as an appendix to the officer's report. It summarised the Council's Treasury Management Statement and provided an update on the Annual Investment Strategy, details of investments as at 30 September 2013, the Council's borrowing position and prudential indicators for 2013/14.

The Executive Director-Resources and Support Services advised the committee of action that was being taken as a result of the recent announcement that the Co-operative bank that it would be pulling out of all contracts with local authorities. The bank would honour its existing contracts up to March 2015 prior to which the Council would be commencing the tender process early in the new year leading to the appointment of new bankers in 2015. Appropriate action was also being taken by the Council to put in place contingency arrangements should the Co-operative Bank cease to exist before expiry of its contract with the Council.

Resolved:- That the Treasury Management Half Yearly Report for 2013/14 be received.

7. ANNUAL AUDIT AND INSPECTION LETTER 2012/13

Consideration was given to a report recommending that the Annual Audit Letter from Grant Thornton, the Council's external auditors, dealing with the Audit of Accounts for 2012/13, as set out in the appendix to the officer's report, be received.

The contents of the Audit Letter were summarised by John Gregory explaining that the key areas for the Council's attention were outlined in the appendix.

He indicated his intention to issue an unqualified opinion on the Authority's 2013/13 financial statements concluding that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and providing value for money.

Resolved:- That the Annual Audit Letter issued by Grant Thornton be received and a copy be sent to all members of the Council.

8. REVIEW OF THE COUNCIL'S ARRANGEMENTS FOR SECURING FINANCIAL RESILIENCE

Consideration was given to a report from Grant Thornton, the Council's external auditors, reviewing the Council's arrangements for securing financial resilience.

The report concluded that the Council had robust financial systems and processes in place to manage its financial risks and opportunities and to secure a stable financial

position that enabled it to continue to operate for the foreseeable future (ie. for the 12 month period from the date of the report).

However, although the overall picture was a positive one it was indicated that the Council's performance in the collection of Council Tax was below average and should be improved.

Resolved:- (a) That the report be noted.

(b) That a report about the collection of Council Tax in the Borough be submitted to the next meeting of this committee for consideration.

9. INTERNAL AUDIT PROGRESS REPORT QUARTER 2

Consideration was given to a report setting out details of the work undertaken by the Internal Audit Section during the period 1 July to 30 September 2013. The report identified the key issues raised.

It was indicated that up to the end of September 2013 273 recommendations had been made of which 248(91%) had been implemented, the target being 96% by the end of the current financial year. With 91% of all recommendations implemented to date it was stated that this provided a good indication that managers were responding positively to implement the recommendations made.

It was reported that 33% of the audit plan had been completed against a target of 25% indicating that the audit plan was on track for completion by the end of the financial year.

The officers report contained information about the percentage of clients who had expressed that they were either satisfied or very satisfied with the service provided by the audit section. However, disappointment was expressed that very few satisfaction surveys were returned during quarter 2 and that thought was being given to how clients could be encouraged to return them.

Resolved:- That the report be noted.

10. ADOPTION OF INTERNAL AUDIT HIGH RISK RECOMMENDATIONS AND SUMMARY OF ASSURANCE 01 JULY TO 30 SEPTEMBER 2013

Consideration was given to a report setting out outstanding high risk recommendations and seeking the committee's approval of actions taken by Executive Directors in respect of the recommendations and proposed target dates.

High risk recommendations were those where action was considered imperative to ensure that the authority was not exposed to high risks and needed to be implemented within one month of the recommendation being agreed with managers.

It was indicated that there were no outstanding high risk recommendations at the end of Quarter 2 and the committee was provided with a summary of assurance levels for each of the directorates for the same quarter.

Resolved:- That the officer's actions and levels of assurance be noted.

11. URGENT BUSINESS

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There was no urgent business.

COUNCILLOR PAUL WARING
Chair