

# Audit and Risk

## Minutes

Tuesday, 02 February 2016 at 18:30

PRESENT :

Councillor Grey (in the Chair); Councillors Grant, Jeal, Walker and Williamson.

Ms K Sly (Section 151 Officer) and Mrs S Wintle (Members Services Officer)

Ms E Hodds (Internal Audit Consortium Manager)

Mrs T Myer and Mrs L Snow (Ernst & Young LLP)

### **1 DECLARATIONS OF INTEREST**

It was reported that there were no Declarations of Interest declared at the meeting.

### **2 APOLOGIES FOR ABSENCE**

It was noted that there had been no apologies for absence received.

### **3 MINUTES**

The Minutes of the meeting held on 7 December 2015 were confirmed.

### **4 INTERNAL AUDIT RECOMMENDATIONS**

The Committee received and considered the comprehensive report from the Internal Audit Consortium Manager.

The Internal Audit Consortium Manager reported that her report reflected the progress made in relation to management implementation of agreed audit recommendations falling due between the 1 October and 31 December 2015.

The Internal Audit Consortium Manager reported that as at the 31 December 2015 there were a total of 37 recommendations outstanding; 19 of which had previously been reported to the Committee. In addition it was reported that there were 43 that were currently work in progress but that are not yet due for implementation and in addition 13 audits were still to be completed which related to the 2015/16 financial year.

It was noted that progress had been made by the 31 December 2015 with 39 other recommendations being closed.

A Member raised concern in regard to Services completing their audit recommendations and asked whether these could be implemented as part of Management Performance Measures, the Director of Housing and Neighbourhoods confirmed that Group Managers had Audit Recommendations within their reviews.

A Member asked in relation to progress with the recommendations set for the Markets, and was advised that there was ongoing work in progress being led by the Transformation Programme Manager.

RESOLVED :

That the Committee receives and notes the current position in relation to the completion of agreed audit recommendations.

## **5 STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS**

The Committee received and considered the comprehensive report from the Internal Audit Consortium Manager.

The report provided a high level overview of the stages followed prior to the formulation of the Strategic Internal audit Plan for 2016/17 to 2018/19 and the Internal Audit Plan for 2016/17.

A Member asked in relation to the Contract Audit which Leisure provider was being used and was advised that this was Sentinel Leisure Trust.

Members requested that the IT contract held with Norfolk County Council be reviewed in 2016/17. The Internal Audit Consortium Manager agreed to allocate part of the 30 days set aside for IT to cover this request.

RESOLVED :

(i) That the Committee notes and approves the following :

- The Internal Audit Charter for 2016/17
- The Internal Audit Strategy for 2016/17
- The Strategic Internal Audit Plan 2016/17 to 2018/19
- The Annual Internal Audit Plan 2016/17.

(ii) That the Committee notes the performance measures for the Internal Audit Contractor.

(iii) That an amendment be made to the Strategic and Annual Internal Audit Plans to include a review of the IT Contract held with Norfolk County Council, as part of the 30 day audit allowance for IT.

## **6 WHISTLEBLOWING, ANTI FRAUD, ANTI MONEY LAUNDERING, CORRUPTION AND BRIBERY POLICIES**

The Committee received and considered the revised Whistleblowing Policy, Anti

Fraud, Corruption, Bribery Policy and Anti-Money Laundering Policy report from the Internal Audit Consortium Manager.

RESOLVED :

That the Audit and Risk Committee note the changes to the Whistleblowing Policy, Anti Fraud, Corruption, Bribery Policy and Anti-Money Laundering Policy and endorse the sending of the above Policies to Council.

## **7 RISK MANAGEMENT FRAMEWORK**

The Committee received and considered the comprehensive report from the Corporate Risk Officer.

The Internal Audit Consortium Manager reported that the report had been endorsed by the Executive Management Team.

RESOLVED :

That the Committee approve the revised Risk Management Framework.

## **8 CODE OF CORPORATE GOVERNANCE**

The Committee received and considered the comprehensive report from the Interim Head of Finance.

The Internal Audit Consortium Manager reported that David Johnson (nplaw) had made a recommendation that the following be added to the Code of Corporate Governance Report :-

1.4 To delegate to the Chief Executive Officer the power to make such changes to the Code of Corporate Governance as are necessitated by the Council's change to a Committee System from May 2016.

A Member asked in relation to the need for a Standards Committee. The Committee agreed that a letter should be sent to the Chief Executive Officer to ask if it is legally necessary to have a Standards Committee.

RESOLVED :

That the Committee approve the updated Code of Corporate Governance and that the recommendation above from David Johnson (nplaw) be included.

That a letter be sent to the Chief Executive Officer as outlined above.

## **9 CORPORATE RISK REGISTER**

The Committee reviewed and considered the comprehensive report from the Corporate Risk Officer.

The Internal Audit Consortium Manager reported that the Corporate Risk Register had been reviewed by the Executive Management Team.

It was reported that there were 15 risks that were not within the risk appetite, although

action plans had been put in place to reduce the current scores.

RESOLVED :

That the Audit and Risk Committee reviewed and considered the Corporate Risk Register to determine whether the register correctly reflected the risks affecting the Authority.

## **10 EXTERNAL AUDIT RECOMMENDATIONS**

The Committee received and noted the comprehensive report from the Corporate Risk Officer.

The Section 151 Officer reported that her report reflected the latest progress made in relation to management implementation of external audit recommendation with an implementation date of 30 December 2015 or before.

Concern was raised in regard to the requirements from Norfolk County Council for IT improvements , it was noted that a recommendation had been agreed to review this as part of the Internal Audit Plan 2016/17.

Members raised concern with regard to the capacity of the Finance department, the Section 151 Officer reported that there was currently one vacant post within the section. A Member asked for assurance regarding the capacity of the Finance team, the Chairman asked the Section 151 Officer for a report in regard to assurance and capacity of work for the departments to include priorities and strategies that had been put in place to be brought to the next Committee meeting.

RESOLVED :

That the Committee received and noted the current position in relation the the completion of audit recommendations.

## **11 CONTRACT STANDING ORDERS**

The Committee considered the Director of Housing and Neighbourhood's report which asked Members to note the significant changes to the Contract Standing Orders.

A Member asked in relation to the website link for Small Businesses, it was advised that it was not yet available on the GYBC website but would be imminently.

RESOLVED :

That the Committee noted the significant changes to the Contract Standing Order and endorsed the adoption of the revised content.

## **12 ANNUAL CERTIFICATION REPORT**

The External Auditor summarised the results of the work carried out on GYBC's 2014/15 Housing Benefit Claims.

The External Auditor passed thanks on to the Benefits department for their co-operation throughout the audit.

### **13 ANNUAL AUDIT LETTER**

The External Auditor reported on the Annual Audit Letter which pointed out key issues most significant to Great Yarmouth Borough Council. It was reported that there had been a delay in the sign off due to the capacity within the Finance Team.

The External Auditor reported on the two main challenges for the Council :-

- i) Highways Network Asset (Formerly transport Infrastructure Assets)
- ii) Earlier deadline for production and audit of the financial statements from 2017/18.

The External Auditor passed thanks to the Finance Team for their co-operation during the audit process.

### **14 ANY OTHER BUSINESS**

The Chairman reported that there was no other business as being of sufficient urgency to warrant consideration.

The meeting ended at: 19:35