

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

Date of Meeting: 31st July 2018

**PRESENT: Councillor Marriott (Chair)
Councillors Aldred, Essex, Lythgoe, Procter and Steen
Mr M Ali (co-opted member)**

**IN ATTENDANCE: Mr P Seddon, Head of Finance/Section 151 Officer
Ms R Lowry, Head of Internal Audit, LCC
Mr R Baker, Engagement Lead, Grant Thornton Auditors
Miss G Ashton, Committee & Member Services Officer**

**ALSO PRESENT: Councillors Haworth and Walmsley
2 members of the public**

1. CHAIR'S INTRODUCTION

1.1 The Chair welcomed everyone to the meeting and outlined the housekeeping arrangements.

2. APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received from Mrs J Crawford, RBC, Mr M Baskerville, LCC and Mr I Pinches, Grant Thornton.

3. MINUTES OF THE MEETING HELD ON 20TH MARCH 2018

RESOLVED:

The minutes of the meeting held on 20th March 2018 were agreed as a correct record.

4. URGENT ITEMS OF BUSINESS

4.1 The Chair confirmed that there were no urgent items of business.

5. DECLARATIONS OF INTEREST

5.1 There were no declarations of interest.

6. PUBLIC QUESTION TIME

6.1 The Chair agreed to deviate from the procedure for public speaking and allow members of public present to ask questions as items on the agenda were presented. Members of the public were permitted to ask questions on items not on the agenda at this point in the meeting.

6.2 There were no public questions at this point.

7. CHAIR'S UPDATE

7.1 The Chair advised that items D4, D5a, D5b and D5c were to be removed from the agenda. An extraordinary meeting would be arranged before the next meeting in December.

7.2 The Engagement Lead, Grant Thornton informed the meeting that although good progress had been made on the 2014/15 Accounts, they had not been finalised. Priority would be given to concluding them over the next few weeks.

7.3 The Committee asked questions and made comments, which included the following:

- Had there been material changes to the accounts.
- Was the delay caused by issues with the AAW Scheme or other audit work.
- Would the 2015/16 and 2016/17 accounts follow shortly after the 2014/15 accounts had been finalised.

The Head of Finance and the Engagement Lead, Grant Thornton clarified issues raised by the Committee.

8. AUDIT & ACCOUNTS TERMS OF REFERENCE

8.1 It was noted that the Committee Terms of Reference would be considered annually at the first meeting following the Election.

8.2 The Committee asked questions and made comments, which included the following:

- There were inconsistencies with the format of the terms of reference.
- Some points were statements with no clear outcome.
- Concerns regarding the monitoring of the risk register.
- Did the Council still liaise with the Audit Commission.
- Whistleblowing was not included.

The Head of Internal Audit, LCC advised that an equivalent committee at County Council had the latest guidance on Terms of Reference and would share this with the Head of Finance.

In relation to the Risk Register, the Engagement Lead, Grant Thornton confirmed that Members should satisfy themselves that robust systems were in place to identify risks.

8.3 Members of the public made the following comments:

- Monitoring of the risk register had previously been the responsibility of the Overview and Scrutiny Committee.

RESOLVED:

- That following changes, the Terms of Reference would be brought back to a future meeting.
- That constitutional changes would be referred to the Governance Working Group.

9. CORPORATE RISK REGISTER UPDATE – QUARTER 4 2017/18

9.1 The Committee asked questions and made comments, which included the following:

- Clarification was sought on the second red risk in relation to Income.
- Risks should be linked to the Corporate Priorities.
- Concerns regarding risk rating scores, how Committee Members should take risks forward and whether all risks had been identified.
- The risk register was smaller than when Covalent was used.
- Does RBC test the contractual information handling obligations of its partners.
- Assurances sought from the Auditors that serious risks were being progressed.

The Head of Finance and the Head of Internal Audit, LCC provided clarification on the issues raised.

9.2 Members and members of the public raised the following issues/questions:-

- Members of the Committee were reliant on Officers identifying risks.
- A short narrative should be included on the green risks.
- Who owned the land in relation to the contaminated land risk.

RESOLVED:

That the Quarter 4 2017/18 Risk Report was noted.

10. INTERNAL AUDIT ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2018

10.1 The Head of Internal Audit, LCC, outlined the report which overall, provided substantial assurance of the Council's systems of governance, risk management and internal control for the year 2017/18. It was noted that the opinion, in relation to service support, was still to be completed. Limited assurance had been given

on procurement and the Council were aware more work was to be done in this area. She advised that the more detailed reports were available to Committee Members and the wider public and were available on request (subject to general security).

An external review had taken place on the Auditors and they had been rated as “generally conformant” being the standard positive rating.

10.2 The Committee asked questions and made comments on the report, which included the following:

- Was there a higher rating than generally conformant.
- Would the Contracts Register be made available on the website.

The Head of Internal Audit and Head of Finance clarified issues raised by the Committee.

RESOLVED:

That the Internal Audit Annual Report for the year ended 31st March 2018 was noted.

11. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

12. STANDARDS COMPLAINTS UPDATE (VERBAL)

12.1 An update was given in relation to Standards.

RESOLVED:

That the update was noted.

13. WHISTLEBLOWING UPDATE (VERBAL)

13.1 An update was given in relation to Whistleblowing.

RESOLVED:

That the update was noted.

The meeting commenced at 6.30pm and finished at 7.05pm

Signed (Chair)

Date