

Minutes

Audit Committee

Venue:	Committee Room
Date:	17 June 2015, 5pm
Present:	Councillors M Jordan (Chair), I Reynolds (Vice Chair), K Arthur (from agenda item 5), D Buckle, Mrs J Chilvers, J Thurlow and P Welsh.
Apologies for Absence:	None.
Officers Present:	Phil Jeffrey and Gail Stormont, Veritau; Cameron Waddell, Mazars; Karen Iveson, Executive Director (S151); Gillian Marshall, Solicitor to the Council (left after agenda item 8); and Daniel Maguire, Democratic Services Officer.
Public:	0
Press:	0

1. Declarations of Interest

There were no declarations of interest. Councillor Jordan asked that his position as Chair of the Southern Community Engagement Forum (CEF) be noted in relation to agenda item 8. He remained in the meeting during consideration of the item.

2. Minutes

It was noted that the membership of the committee had completely changed following the Annual Meeting of the Council and consequently there were no members present who had attended the previous meeting. The Democratic Services Officer advised that the responsibility for approving the previous minutes is with the current membership. In order that committee members could make an informed decision the previous

minutes had been seen by Councillors Cattanach and Pearson who were able to advise the committee that the minutes were an accurate record.

RESOLVED:

To receive and approve the minutes of the Audit Committee held on 15 April 2015, which were then signed by the Chair.

3. Chair's Address

The Chair welcomed the Committee and officers to the first meeting of the municipal year. Phil Jeffrey and Gail Stormont from Veritau and Cameron Waddell from Mazars were introduced to the committee.

4. Start Time of Meetings 2015/16

RESOLVED:

To set the start time of Audit Committee meetings for 2015/16 at 5pm.

5. Audit Committee Work Programme 2015/16

The Chair presented the Work Programme for 2015/16 and invited comments from members. It was noted that the Programme can be updated throughout the year as the Committee require. The Committee asked that the Work Programme be included as an agenda item at all subsequent meetings. It was noted that some dates referred erroneously to 2014/15.

RESOLVED:

- (i) Having made the necessary amendments to meeting dates, to approve the Work Programme for 2015/16;**
- (ii) To include the Work Programme as an agenda item at all subsequent meetings.**

6. A/15/1 – Annual Internal Audit Report 2014/15

Phil Jeffrey, Veritau, presented the report. He drew the committee's attention to paragraph 15 which recognises that the Council provides 'Substantial Assurance' in respect of risk management, governance and the control framework. Some weaknesses were identified in respect of Taxi Licensing, Partnerships, IT access controls and the compliance with the Payment Card Industry Data Standard (PCI DSS), but actions are in hand to resolve these.

There are currently nine audit reports at draft stage and six that have been finalised since the last report to the Committee. In total 97.6% of reports had been completed to draft stage by the end of April 2015, which exceeds the target of 93%.

In response to a question from the Committee, the Executive Director (s151) was asked to provide details of a specific case relating to Council House repairs to the next meeting.

RESOLVED:

- (i) To approve the Annual Internal Audit Report 2014/15;**
- (ii) To ask the Executive Director (s151) to provide details to the next meeting about a specific case relating to council house repairs.**

7. A/15/2 – Amendments to the Constitution

The Solicitor to the Council presented a report proposing a number of actions relating to proposed changes to the Constitution. A handout was circulated and the Committee was guided through each proposal.

- a) Changes are required to the disciplinary processes for Statutory Officers (Chief Executive, s151 Officer and Monitoring Officer). These changes are required by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 and must be made at the first ordinary meeting of Council after 11 May 2015. The changes provide for the dismissal of a protected officer to be approved by way of a vote at a meeting of the Council, subject to conditions set out in the briefing note provided by the Solicitor to the Council. To meet the requirements of the revised legislation the Solicitor to the Council proposed:
 - (i) That an Employment Committee be formed to undertake the role of the existing Appointments Committee and to conduct any investigation required before disciplinary action is taken against a protected officer. The membership of the committee to be politically balanced (currently 3:1) and to be the Leader of the Council, Deputy Leader of the Council, a non-Executive Councillor from the ruling group and the Leader of the Opposition Group. The terms of reference are as set out in the briefing supplied by the Solicitor to the Council.
 - (ii) That a standing Independent Panel be formed to advise the Council on dismissal of a relevant officer. The membership of the panel to be the two independent persons appointed

to advise the Council on matters of member conduct and standards.

- b) Amendments were proposed to the Financial Procedure Rules as part of a general updating of that document. A revised draft was circulated to the Committee. Attention was drawn to the increase in the level of in-year virement that can be approved under delegated power from £20,000 to £50,000 which would be consistent with the level of authority granted under the Contract rules. Authority will be limited, as now, to the s151 Officer. Attention was also drawn to the increase in the delegation limits on approving the sale of land to £50,000 in order to be consistent with other financial limits. This would be delegated to Directors in consultation with the s151 Officer.
- c) It was proposed that the role of monitoring the Council's use of the Regulation of Investigatory Powers Act for surveillance be added to the Terms of Reference of the Audit Committee. This would comply with guidance from the Home Office Code of Practice which suggests that member level review should take place at least annually.
- d) Changes were proposed to Article 10 (Community Engagement Forums); Part 3.6 (Responsibility for Functions – Community Engagement Forums) and Part 4 (Council Procedure Rules – Community Engagement Forums). A draft Code of Conduct for members of Community Engagement Forums was also circulated. The changes are required to ensure that the Council remains the Accountable Body for decision making, and that transparency and good governance are maintained.
- e) The Executive resolved on 4 June to ask the Audit Committee to review the Site Visit Section of the Code of Practice for Dealing with Planning matters, as concerns had been expressed about the ability of ward councillors to represent their constituents in such matters. The Solicitor to the Council explained the background to the most recent changes to the Code of Practice and set out the opportunities that currently exist for public participation in the planning process. Examples of practice in neighbouring authorities were circulated.
- f) The Committee was informed that the Government has issued a consultation paper on proposed changes to the Local Authority Functions and Responsibilities Regulations. As with the amendments proposed in (a) above, the Council will be required to update the Constitution as required by central government. In anticipation of this, the Solicitor to the Council advised that the Committee may wish to recommend granting delegated powers to the Monitoring Officer to amend the Constitution when required to do so as a matter of law.

RESOLVED:

- i) To recommend that Council approve the amendments to the Constitution in parts (a), (c) and (f);
- ii) To recommend that Council approve the amendments to the Constitution in part (b) but notes that the Audit Committee did not have advance sight of the amendments;
- iii) To defer consideration of the amendments to the Constitution in parts (d) and (e) to a future meeting of the Audit Committee, and that they be included in the Work Programme for 2015/16.

8. Private Session

RESOLVED:

In accordance with Section 100(A)(4) of the Local Government Act 1972 and in view of the nature of the business to be transacted, to exclude the press and public from the meeting during discussion of the following items as there is likely to be disclosure of exempt information. The exempt information is that defined in paragraph 3 of schedule 12A being information relating to the financial or business affairs of any person, including that of the authority holding the information. It is in the public interest to exempt this information as it includes information about how the Council manages risk and specifically the risks that are being actively managed (including their likelihood, impact and mitigating actions) which, if disclosed, could allow third parties to use this information against the Council – for example targeting fraudulent activity in an area perceived to be low risk and therefore not actively managed – as such disclosure of the detail of risk management is not considered to be in the interests of taxpayers although inclusion on Audit Committee agendas and the coverage of the Annual Governance Statement, should provide assurance that risk is being managed effectively.

9. A/15/3 – Risk Management Annual Report 2014/15

Phil Jeffrey presented the report and drew the Committee's attention to parts 2.1 and 2.2 which list the reports brought before the Audit Committee during 2014/15 and what further work is planned during the coming year. Progress has been made in developing risk management and work to ensure continuing proactive risk management will continue during 2015/16.

RESOLVED:

- (i) To note the report and;**
- (ii) To endorse the actions of officers in managing risk**

10. A/15/4 – Review of the Corporate Risk Register

Phil Jeffrey presented the report and drew the Committee's attention to items 2.2 and 2.3 which show a reduction in the number of risks with a score of 12 or more since the previous report in January 2015. In total there are fifteen risks on the register, which is a reduction of one since the previous report. It was confirmed that there are mitigating actions in place to control these risks and that these are closely monitored on an on-going basis.

Gail Stormont provided the Committee with an outline of Risk Registers and the Risk Matrix. Members of the Committee were provided with copies of the Risk Management Strategy, Information Risk Management Policy, Risk Management Guidance as well as a copy of the risk matrix.

The Chair asked that his thanks be recorded, on behalf of the Committee, for the excellent training provided so far this municipal year.

RESOLVED:

- (i) To note the report and;**
- (ii) To endorse the actions of officers in managing risk**

11. A/15/5 – Review of the Access Selby Risk Register

Phil Jeffrey presented the report and drew the Committee's attention to item 2.2 which confirms a reduction in the number of risks with a score of 12 or more. In total there are sixteen risks on the register, which represents no change on the previous position reported in January 2015. It was confirmed that there are mitigating actions in place to control these risks and that these are closely monitored on an on-going basis.

RESOLVED:

- (i) To note the report and;**
- (ii) To endorse the actions of officers in managing risk**

The meeting closed at 6.55pm