

MINUTES OF AUDIT AND ETHICS COMMITTEE

26 JANUARY 2021

PRESENT:

Members of the Committee: John Eves (Vice Chairman in the Chair), Councillors McQueen, Mistry and Pacey-Day

In attendance: Grant Patterson (Director – Grant Thornton) and Jim McLarnon (Manager – Grant Thornton)

31. MINUTES

The minutes of the meeting held 10 November 2020 were approved.

32. APOLOGIES

Apologies for absence from the meeting were received from Paul Dudfield (Chairman) and Councillor Cranham.

33. HEALTH AND SAFETY PROGRESS UPDATE

The Committee considered the report of the Deputy Executive Director (Part 1 – Agenda Item 4) concerning a progress update in relation to:

- the internal audit review of corporate health and safety completed in April 2019;
- additional work undertaken to provide Health and Safety assurance;
- health and safety work undertaken in response to the Covid-19 pandemic; and
- further work planned for 2021 to improve the management of health and safety risks.

The Safety and Resilience Manager attended the meeting to provide technical support and answer questions.

RESOLVED THAT –

- (1) the report be noted; and
- (2) a progress update be presented at a future meeting of the Committee.

34. TREASURY MANAGEMENT STRATEGY INCORPORATING THE ANNUAL INVESTMENT STRATEGY

The Committee considered the report of the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 5) concerning an overview of how capital expenditure, capital financing, treasury and other investment activity

contribute to the provision of local public services along with how associated risk is managed and the implications for future financial sustainability.

The Financial Services Manager and Interim Chief Financial Officer informed that Committee that following publication of the agenda, adjustments were made to tables 3, 9 and 18 within the Appendix. The adjustments were reported verbally at the meeting and the live stream can be viewed [here](#). The strategy would be revised prior to the submission to Council for approval.

It was noted that the Capital Strategy would be presented to the Committee at a future meeting.

The Committee placed on record their thanks the Financial Services Team for their hard work.

RESOLVED THAT – subject to the adjustments reported by the Financial Services Manager and Interim Chief Financial Officer, IT BE RECOMMENDED TO COUNCIL THAT:

- (1) The Treasury Management Strategy incorporating the Annual Investment Strategy including associated limits and specific indicators be approved.
- (2) The Minimum Revenue Provision – policy be approved (section A4 of strategy).
- (3) The updated Treasury Management Practice 1 be noted (Appendix A of strategy).

35. FINANCIAL RISK OF COVID-19

The Committee considered the report of the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 6) concerning an update on the financial implications facing the Council as a result of the COVID-19 pandemic.

RESOLVED THAT –

- (1) the financial impact of the COVID-19 pandemic be noted; and
- (2) a progress update on the financial impact of the COVID-19 pandemic be provided at the next meeting of the Committee on 30 March.

36. ANNUAL AUDIT LETTER 2019/20

The Committee considered the report of the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 7) concerning the key issues arising from the work of the Council's appointed external auditor, Grant Thornton. Representatives from Grant Thornton attended the meeting to present the report and answer questions.

The Committee placed on record their thanks to the Financial Services Manager and Interim Chief Financial Officer and the Financial Services Team for their hard work and to the Grant Thornton team for the guidance provided through the audit.

RESOLVED THAT – the Annual Audit Letter 2019/20 be noted.

37. AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Committee considered the report of the Financial Services Manager and Interim Chief Financial Officer (Part 1 – Agenda Item 8) concerning Grant Thornton’s progress in delivering their responsibilities as external auditors to Rugby Borough Council. Representatives from Grant Thornton attended the meeting to present the report and answer questions.

RESOLVED THAT – the Audit Progress Report and Sector Update be noted.

38. 2020/21 INTERNAL AUDIT PLAN – PROGRESS UPDATE

The Committee considered the report of the Corporate Assurance and Improvement Manager (Part 1 – Agenda Item 9) concerning the progress against delivery of the Internal Audit Plan for 2020/21.

The Committee placed on record their thanks to the Corporate Assurance and Improvement Team for their hard work.

RESOLVED THAT –

- (1) the report be noted; and
- (2) the proposed amendments to the internal audit plan be approved.

39. DEVELOPMENT OF INTERNAL AUDIT PLAN FOR 2021/22

The Committee considered the report of the Corporate Assurance and Improvement Manager (Part 1 – Agenda Item 10) concerning the proposed arrangements for developing the internal audit plan for 2021/22.

The Committee was encouraged to consider areas in which members require assurances from Internal Audit during 2020/21 and share their thoughts with the Corporate Assurance and Improvement Manager via email.

RESOLVED THAT – the process for developing the Internal Audit Plan for 2021/22 be approved.

40. 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, 2 and 3 of Schedule 12A of the Act.

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

The Corporate Assurance and Improvement Manager reported that two cases were currently being investigated.

RESOLVED THAT – the Committee be provided with an update at the next meeting.

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

There were no issues to report.

CHAIRMAN