

# MINUTES OF AUDIT AND ETHICS COMMITTEE

21 SEPTEMBER 2017

## PRESENT:

### Members of the Committee:

Mr Dudfield (Chairman), Mr Eves (Vice-Chairman), Councillors Miss Lawrence, Pacey-Day and Roodhouse

### Officers:

Chris Green (Corporate Assurance and Improvement Manager), Chris Blundell (Financial Services Manager), Andy Singleton (Corporate ICT Manager) and Veronika Beckova (Democratic Services Officer)

### In attendance:

Elizabeth Humphrey (Tilia Solutions), Grant Patterson (Director – Grant Thornton) and Joan Barnett (Audit Manager – Grant Thornton)

## 11. MINUTES

The minutes of the meeting held 29 June 2017 were approved and signed by the Chairman.

## 12. REVIEW OF THE DESIGN OF THE EFFECTIVENESS OF IT GOVERNANCE CONTROLS IN KEY FINANCIAL APPLICATIONS

The committee considered the report presented by Grant Thornton and the Corporate ICT Manager (Part 1 – Agenda Item 4).

### RESOLVED THAT –

- (1) the Corporate ICT Manager to update the committee in March 2018 on the progress of management response plan (earlier if required); and
- (2) the Public Sector Network accreditation be presented to the committee each year when acquired.

## 13. APPROVAL OF ACCOUNTS 2016/17

The committee considered the report presented by Grant Thornton and the Financial Services Manager (Part 1 – Agenda Item 5).

The committee was informed that Grant Thornton will hold a workshop involving local authorities to further improve processes and working papers to ensure that the earlier statutory deadline is achieved.

Concerns were raised with regards to the following deficiency identified in internal controls:

*'The Financial Services Manager posted 97 journals that were not subject to authorisation. None of the journals related to cash transactions.'*

Further detail can be found on page 18 of Appendix 1 under Internal Controls. The committee was assured that the risk is low and that this was the first year that it was identified. The Chairman will meet with the Head of Corporate Resources to further discuss the issue.

**RESOLVED THAT –**

- (1) the Statement of Accounts for 2016/17 be noted;
- (2) the Audit Findings Report for 2016/17 be noted;
- (3) the Financial Services Manager to provide an update on the action plan to the committee in January 2018;
- (4) the Management Representation Letter for 2016/17 be noted; and
- (5) IT BE RECOMMENDED TO COUNCIL THAT the Statement of Accounts for 2016/17 be approved.

**14. ANNUAL FRAUD REPORT 2016/17**

The committee considered the report presented by the Corporate Assurance and Improvement Manager (Part 1 – Agenda Item 6).

Concerns were raised with regards to Council Tax fraud in particular single people's discount. The committee was informed that as part of the agreed annual plan of counter fraud Internal Audit work, Local Taxes is an area for review in 2017/18.

**RESOLVED THAT –** the report be noted.

**15. 2017/18 INTERNAL AUDIT PLAN – PROGRESS UPDATE**

The committee considered the report presented by the Corporate Assurance and Improvement Manager (Part 1 – Agenda Item 7).

The committee was informed that concerns were raised by the Head of Growth and Investment regarding the administration of street trading licences. A follow up meeting is scheduled to assess the risk and an internal audit review may be required.

A member of the committee raised concerns with regards to health and safety training for agency workers and highlighted an example of an officer who had recently been observed driving without a seatbelt. The comments made will be fed back to the relevant officer and an explanation on what actions are taken in a case of non-compliance will be provided at the next meeting.

**RESOLVED THAT –**

- (1) the review of cyber-security be approved; and

(2) an update be provided at the next meeting of the committee following the interim review of the 2017/18 internal audit plan.

**16. 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 and 2 of Schedule 12A of the Act.

**17. WHISTLE BLOWING INCIDENTS – STANDING ITEM – TO RECEIVE ANY UPDATES**

There were no issues to report.

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

The Corporate Assurance and Improvement Manager has provided the committee with an update on the issue raised at the last meeting and confirmed that it has been resolved.

**CHAIRMAN**