

# MINUTES OF AUDIT AND ETHICS COMMITTEE

28 JUNE 2016

## PRESENT:

**Members of the Committee:** Mr J Eves (Vice Chairman in the Chair), Councillors Mistry and Roodhouse

**Officers:** Mannie Ketley (Head of Corporate Resources), Chris Green (Corporate Assurance Manager), Chris Blundell (Financial Services Manager), Karen Hillman (Legal Officer) and Veronika Beckova (Democratic and Scrutiny Services Officer)

### 1. MINUTES

The minutes of the meeting held 11 May 2016 were approved and signed by the Chairman.

### 2. APOLOGIES

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

### 3. ANNUAL REPORT OF THE CORPORATE ASSURANCE MANAGER

The committee considered the report presented by the Corporate Assurance Manager (Part 1 – Agenda Item 4).

During consideration of the item, the report was discussed in detail and the following additional points were made:

- The Corporate Assurance Team consists of the Corporate Assurance Manager, one full time Audit Officer and one Risk Management and Insurance Officer.
- Following the recent restructure, the team has expanded and now includes the Change Officer, Improvement Officer and Performance Officer. The team will now be known as the Corporate Assurance and Improvement Team.
- Skills will be utilized across the team as there a lot of synergies which will make the service more resilient.
- The vacant Auditor position will not be filled and part of the saving made will be used to commission TIAA (the council's IT auditor) to carry out some audit work during the team's period of transition.
- The external assessment of the service is to be carried out by a qualified assessor every five years. Some authorities have opted for a reciprocal arrangement. Officers will be looking at options for commissioning an independent, external organisation to carry out the assessment at Rugby Borough Council. As the Public Sector Internal Audit Standards came into effect on 1 April 2013, the assessment needs to be completed by 31 March 2018. The council's assessment is scheduled to be completed by June 2017.

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

#### 4. ANNUAL GOVERNANCE STATEMENT

The committee considered the report presented by the Corporate Assurance Manager (Part 1 – Agenda Item 5).

During consideration of the item, the report was discussed in detail and the following additional points were made:

**Principle 2** – *Members and officers working together to achieve a common purpose with clearly defined functions and roles*

It was highlighted that this principle should also reflect the changes to the portfolio holders' role. Officers informed the committee that terms of reference are generic and that the role of Cabinet, under which portfolio holders' fall, has not changed.

**Principle 5** – *Developing the capacity and capability of members and officers to be effective*

It was highlighted that the Member Appraisal Scheme was no longer in place. The Corporate Assurance Manager agreed to investigate and, if appropriate, to amend the statement prior to its formal approval.

**RESOLVED THAT** – IT BE RECOMMENDED TO COUNCIL THAT the Annual Governance Statement 2015/16 be approved subject to comments made by the committee.

#### 5. INTERNAL AUDIT IMPROVEMENT PLAN

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

During consideration of the item, the report was discussed in detail and the following additional points were made:

##### **Appendix A – Internal Audit Service Quality Assurance and Improvement Plan**

Action No	Proposed Action	Additional Comment
15	Assignments will not commence unless and until the relevant 'sponsoring' client manager has agreed the terms for the assignment.	The Corporate Assurance Manager assured the members that if there are any issues, the committee will be made aware through the regular performance reports.
24	Management engagement and buy in.	The Corporate Assurance Manager attended a meeting of the Senior Management Team and delivered a presentation which was well received.

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

**6. 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.

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

There were no issues to report.

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

One case is being investigated by the Corporate Assurance Manager.

**CHAIRMAN**