



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 21st November 2016

PRESENT : Cllrs. Gravells (Chair), Melvin, Stephens, Wilson, Taylor, Pullen and Cook (substitute ex-Officio)

Others in Attendance

Jonathan Lund, Corporate Director and Monitoring Officer

Jon Topping, Head of Finance

Theresa Mortimer, Head of Audit, Risk and Assurance

Stephanie Payne, Group Manager, Audit Risk and Assurance

APOLOGIES : Cllrs. Patel, D. Norman (ex-Officio)

36. ELECTION OF VICE CHAIR

Councillor Gravells (Chair) moved that Councillor Melvin be appointed as Vice Chair of the Audit and Governance Committee. Councillor Taylor seconded the motion, which was put to the vote and was carried.

37. DECLARATIONS OF INTEREST

There were no declarations of interest.

38. MINUTES

The minutes of the meeting held on 19 September 2016 were approved and signed by the Chair as a correct record.

39. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

40. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions or deputations.

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41. AUDIT AND GOVERNANCE COMMITTEE ACTION PLAN

Jon Topping, Head of Finance, updated the Committee on minute no. 17 and reported that the new system at the Guildhall had successfully gone live on 7 November 2016. It was agreed that this action was closed.

Jonathan Lund, Corporate Director and Monitoring Officer, asked, in relation to minute no. 27 that the Committee reconsider its request to receive copies of the notes arising from the Marketing Gloucester Performance Monitoring Meetings. The meetings were not public meetings and the notes were not drafted in the expectation that they would be widely circulated. The meetings were effective because of the ability to have a frank and wide ranging conversation about performance and this was reflected in the notes. This might be curtailed in the future if there was a likelihood that the notes would be more widely available. After discussion, it was agreed that the notes of the MGL performance management meetings would be circulated to members of the committee as an exception and it was acknowledged that these were confidential.

Theresa Mortimer, Head of Audit, Risk and Assurance, confirmed that the MGL audit report had been circulated to members of the Committee.

42. ANNUAL AUDIT LETTER 2015/16

Apologies were received from Darren Gilbert of KPMG who was unable to attend the meeting due to a family bereavement. The Chair asked that the condolences of the Committee be passed to Mr Gilbert.

RESOLVED – That the Annual Audit Letter 2015/16 be noted.

43. TREASURY MANAGEMENT UPDATE – MID YEAR REPORT 2016/17

The Committee considered the report of the Cabinet Member for Performance and Resources updating Members on treasury management activities for the period 1 April-30 September 2016.

Jon Topping, Head of Finance, highlighted key elements of the report.

RESOLVED – That the contents of the report be noted.

44. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) - ANNUAL REVIEW OF PROCEDURAL GUIDE

The Committee considered the report of the Head of Paid Service concerning the annual review of the Council's Regulation of Investigatory Powers Act (2000) (RIPA) Procedural Guide.

Jon Topping, Head of Finance, highlighted the changes to the Senior Authorising Officer and the Authorising Officers in Appendix A to reflect changes in personnel.

The Chair asked if the Audit and Governance Committee should be included in the review of RIPA use procedures referenced in 5.5 of the Regulation of Investigatory

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Powers Act 2000 Procedural Guide (Appendix 1 of the report). The Head of Finance agreed to check on this and report back to the Committee.

RESOLVED – That the proposed changes to the Council’s RIPA Procedural Guide be noted.

45. INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2016-17

The Committee considered the report of the Head of Audit, Risk and Assurance informing Members of the Internal Audit activity progress in relation to the approved Internal Audit Plan 2016/17.

Theresa Mortimer, Head of Audit, Risk and Assurance, summarised the report and highlighted key areas of activity. She drew particular attention to the status report at the end of the report and confirmed that there were no limited assurance opinions up to the end of October 2016.

In response to a question from Councillor Stephens regarding the maximum recoverable amount for the EU referendum costs, Jonathan Lund, Corporate Director and Monitoring Officer, explained that, in common with other Councils, due to an increase in the number of registered electors the costs of the EU referendum exceeded the maximum recoverable amount. A claim for the shortfall had been submitted to the Election Claims Unit and it was anticipated that the claim would be settled in the Council’s favour. Mr Lund undertook to report back once the outcome of the claim was known.

In response to a question from the Chair, Theresa Mortimer advised that the Amey – Streetcare contract audit would be reported to the January 2017 meeting of the Committee.

The Chair and Vice Chair raised concerns regarding liaison and communication in the event of variations of S106 agreements for cross boundary developments. Theresa Mortimer, Head of Audit, Risk and Assurance, highlighted that the development of internal guidance setting out roles and responsibilities was a management action arising from the audit, which audit colleagues will follow up.

RESOLVED -

1. That progress against the Internal Audit Plan 2016/17 be noted.
2. That the assurance opinions provided in relation to the effectiveness of the Council’s control environment comprising risk management, control and governance arrangements as a result of the Internal Audit activity completed to date be noted.

46. RISK MANAGEMENT UPDATE

The Committee considered the report of the Head of Audit, Risk and Assurance concerning the Strategic Risk Register and risk management activity at Gloucester City Council.

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Stephanie Payne, Group Manager Audit, Risk & Assurance Shared Service, advised Members that a risk management update was brought to the Committee twice a year. She summarised the report and emphasised that the Strategic Risk Register was as at 8 November 2016.

In response to a question from Councillor Stephens challenging the current risk score of the Joint Core Strategy risk on the Strategic Risk Register, Ms Payne agreed to raise this with the Senior Management Team who assessed and scored strategic risks.

The Vice Chair highlighted the risk associated with the loss of parking revenue as a result of regeneration developments. Jon Topping, Head of Finance, confirmed that financial risk of this nature was covered in Number 1 of the Strategic Risk Register – ‘non achievement of the Money Plan – including the annual savings / income targets and the result of a balanced budget’.

RESOLVED TO RECOMMEND – That the Strategic Risk Register be noted and endorsed.

47. INTERNAL AUDIT CHARTER

The Committee considered the report of the Head of Audit, Risk and Assurance which outlined revisions to the Public Sector Internal Audit Standards (PSIAS) and subsequent revisions to the Internal Audit Charter.

RESOLVED – That the revised Internal Audit Charter be formally adopted.

48. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Committee noted the Audit and Governance Committee Work Programme 2016/17.

It was confirmed that the MGL value for money audit will be included in the 2017/18 work programme, as requested by the Committee.

49. DATE OF NEXT MEETING

Monday 23 January 2017 at 6.30pm.

Time of commencement: 6.30 pm hours
Time of conclusion: 7.05 pm hours

Chair