

AUDIT AND GOVERNANCE COMMITTEE

Thursday 28 November 2013

COUNCILLORS PRESENT: Councillors Brett, Darke, Rowley, Seamons and Hollick.

OFFICERS PRESENT: Mathew Metcalfe (Democratic and Electoral Services), Jackie Yates (Executive Director Organisational Development and Corporate Services), Jeremy Thomas (Head of Law and Governance), Anna Winship (Financial Accounting Manager), Alan Witty (Ernst & Young) and Richard Vialard (Pricewaterhousecoopers (PWC))

24. ELECTION OF CHAIR FOR THE MEETING

In the absence of both the Chair (Councillor James Fry) and the Vice-Chair (Councillor Craig Simmons), the Committee agreed to elect Councillor Tony Brett as Chair for the meeting.

25. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors James Fry, Craig Simmons (Councillor Sam Hollick attended as a substitute) and David Rundle.

26. DECLARATIONS OF INTEREST

None declared.

27. EXTERNAL AUDIT PROGRESS REPORT 2013/14 - ERNST AND YOUNG

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's External Auditors, Ernst and Young, which detailed the progress made in delivering the work set out in the 2013/14 audit plan.

Alan Witty from Ernst and Young introduced the report. He commented on the close working with the Finance Team and that this would continue. He said that the Housing Benefit Claim had been signed-off and planning would start shortly for the audit of the 2013/14 accounts.

In response to questions, Jackie Yates, (Executive Director of Organisational Development and Corporate Services) and Anna Winship (Finance) saw no issues of concern on the preparations for the 2013/14 closedown. Jackie Yates added that there would be some additional complexity to the accounts with work on the Barton Project gearing up and the transfer of assets from the Housing Revenue Account (HRA) to the General Fund.

Alan Witty, added that Ernst and Young would be undertaking an audit of the transfer of assets from the HRA to the General Fund.

The Committee agreed to note the report.

28. ANNUAL AUDIT LETTER - YEAR ENDING 31ST MARCH 2013 - ERNST AND YOUNG

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's External Auditors, Ernst and Young, the purpose of which was to communicate to the Committee the key issues that arose from the work of Ernst and Young.

Alan Witty from Ernst and Young introduced the report and raised no issues of concern.

The Committee agreed:

- (a) To note the report;
- (b) To congratulate Officers from the Finance Team for their work.

29. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's External Auditors, Ernst and Young which provided a briefing on the issues which could have an impact on the City Council.

Alan Witty from Ernst and Young introduced the item.

Councillor Tony Brett commented that he liked the way the papers were laid out as this helped to understand the issues.

Councillor Sam Hollick commented on the Minimum Revenue Provision and the different approaches to it. In response Anna Winship said that this was part of the Council's Treasury Management Strategy and that the Council had previously chosen option 3 as the most prudent approach. Jackie Yates added that the approach allowed for an alignment of debt with the life of the asset so that the Council was not paying debt when the asset had ceased to be viable.

30. INTERNAL AUDIT PROGRESS REPORT 2013/14 - PRICEWATERHOUSECOOPERS (PWC)

The Head of Finance submitted a report (previously circulated, now appended) on behalf of the Council's Internal Auditors, Pricewaterhousecoopers (PWC) which detailed the progress made in delivering the work set out in the 2013/14 audit plan.

Richard Vialard from Pricewaterhousecoopers (PWC) introduced the report. He informed the Committee that there were a number of audits coming to completion and the audits with high risk would be submitted to the Audit and Governance Committee at its February 2014 meeting.

In response to comments on high risk reports, Jackie Yates said that she would try and circulate high risk reports in advance where we had them

The Committee agreed to note the report.

31. PROGRESS ON THE IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The Head of Finance submitted a report (previously circulated, now appended) which detailed the progress made on the implementation of internal and external audit recommendations.

Anna Winship from Finance introduced the report.

In response to questions concerning the Windows 7 project, Jackie Yates said that the Council was very close to signing-off the project with regard to the rollout to officers. She said that the rollout to Members PC's and laptops etc. would commence in early 2014. Jackie Yates further added that the Windows 7 rollout had taken longer than expected, in part due to the number of systems found on peoples computers that were not previously known about and not supported centrally by ICT. A project to rationalise the number of systems in use across the Council is planned.

Councillor Scott Seamons asked questions concerning the Uniform System which was marked as 50% completed. In response Anna Winship said that this reflected that agreement had been made on how the project was to be implemented.

The Committee agreed to note the report.

32. RISK MANAGEMENT QUARTERLY REPORTING: QUARTER 2 2013/14

The Head of Finance submitted a report (previously circulated, now appended) which updated the Committee on both corporate and service risks as at the end of quarter 2, 30th September 2013.

Anna Winship from Finance introduced the report and highlighted that there were no high risks (red) for Service Areas and that the overall number of Corporate risks had remained the same at eight.

In response to comments on Corporate Risk CRR 023 (Managing Capital Projects and Contract Management), Jackie Yates said that there had been concerns on project slippage and this risk highlighted that further work was required. She added the Council needed to look at the skills required, capacity available and highlight any gaps re the overall deliverability of the programme.

In response to questions from Councillor Roy Darke on salaries, Jackie Yates said that the current pay agreement gave certainty to the Council and employees over the next five years, however there were some specialist posts that did require a market supplement to be able to recruit, but this was only used were absolutely necessary.

Councillor Tony Brett asked questions concerning data protection and the use of USB sticks and laptops. In response Jackie Yates said that policies were in place and highlighted that only encrypted USB sticks could be used, that if an ipad was lost or stolen, information on it could be wiped remotely and that nothing was to be stored on the hard drive of laptops. Laptops also required a password and fob.

The Committee agreed to note the report.

33. MINUTES

The Committee agreed to approve the minutes of the meeting held on 26th September 2013.

34. DATES AND TIMES OF MEETINGS

The Committee agreed to note that it would meet in the Town Hall on the following dates at 6.00 pm:

Thursday 27th February 2014

Thursday 24th April 2014

The meeting started at 6.00 pm and ended at 6.45 pm