



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 25 JUNE 2014 at 5.00pm

P R E S E N T:

Councillor Westley – Chair
Councillor Dr. Moore – Vice-Chair

Councillor Alfonso
Councillor Desai

Councillor Dr. Chowdhury
Councillor Naylor

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1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Grant, Steve Jones, Kamal Adatia

2. DECLARATIONS OF INTEREST

There were no declarations of interest made.

The Chair informed the Committee that Tony Edeson, Head of Internal Audit and Risk Management, had won the coveted award of ALARM Risk Manager of the Year at their Learning and Development Forum in Manchester on Monday 23rd June 2014. ALARM are the Public Sector Risk Management Association covering all Public Sector bodies. The national event was attended by over 1,000 delegates, and Tony had been shortlisted with 5 other risk managers. The Director of Finance commented that this was well deserved, and this view was echoed by the Committee.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

that the minutes of the Audit and Risk Committee meeting held on 15th April 2014 be approved as a correct record.

4. PROCEDURAL GUIDANCE AND RECENT CHANGES IN ARRANGEMENTS FOR CASH HANDLING AT THE COUNCIL

The Director of Finance submitted a report to the Committee on the current procedure rules on cash handling and security, and the supplementary

guidance issued by Internal Audit, and was presented by the Head of Internal Audit and Risk Management and the Head of Business Service Centre. The Committee was asked to note the report and to make such comments and recommendations as they saw fit to the Director of Finance.

Members were informed that petty cash was used for one-off office items, or expense claims. A usual amount to be kept in an office would be approximately £15, and prevented lots of money being kept in offices, and reduced responsible officer numbers. Members were also told the level of float for each person handling cash depended on the centre, and was based on turnover. All areas that held cash had unannounced spot checks, and centre managers would check the floats each day before opening and at the end of the day. Regular issues could be mapped to whoever was on duty.

The Head of Business Service Centre explained that in an emergency a cash advance could be authorised following finance procedure rules, for example, a social worker could claim a cash advance to take children on a day trip, but would gather receipts to show where money had been spent.

Members said using some current suppliers was expensive due to procurement rules. It was reported that the Council had left ESPO and was no longer one of the seven Member authorities, but could still use ESPO as a supplier.

In response to Members' request, the Director of Finance agreed to create a 'top 20' list of income generators at the Council for information for Members, for example, from parking meters

RESOLVED:

1. that the report be noted.
2. the Committee make any comments or recommendations as they see fit to the Director of Finance.

5. POLICY FOR ENGAGEMENT OF EXTERNAL AUDITORS FOR NON-AUDIT WORK

The Director of Finance submitted a report which sought the Audit and Risk Committee's approval of the 'Policy for Engagement of External Auditors for Non-Audit Work'. The report was presented by the Head of Internal Audit and Risk Management.

Members were reminded the Audit and Risk Committee's Terms of Reference required the policy to be reviewed and approved annually. It was reported there were no changes to the policy from the previous year.

Members were asked to note if the external auditors wanted to do any non-audit work, they had to seek agreement from the Director of Finance that there was no threat to independence.

RESOLVED:

1. that the Audit and Risk Committee approve the policy for the

6. RISK MANAGEMENT AND INSURANCE SERVICES UPDATE REPORT

The Director of Finance submitted a report which provided the Committee with the regular update on the work of the Council's Risk Management and Insurance Services team's activities. The Committee was recommended to receive the report and to note its contents, and make any recommendations or comments as they saw fit to the Executive or the Director of Finance. The reported was presented by the Head of Internal Audit and Risk Management.

It was reported there was nothing specific to bring to the attention of Members of the Committee since the last meeting, but there had been 27 changes by the end of January to registers, which showed risk management was being embedded into the council.

Members were asked to note that since the last report to the Committee, the Council had one case go to Court, and was the first challenge to defend since the Council began handling injury cases in house. The Council was successful and allowed the return of £29,200 to reserves. The Council was also awarded costs just under £6,000.

Members were informed an incident on 30th April resulted in the Council suffering a significant loss of all its networked services. A workable system was in place within four hours. Lessons were learned from the incident and procedures had now been changed, and had been good practice before the data centre move over the weekend of 4-6th July 2014, and would commence at 4.00pm on Friday 4th July. The Director of Finance and the Director of Delivery, Communications and Political Governance would be on call during the period. Members were assured the site had networked cables for data and the site would be secure, the cost of which was incorporated into the accommodation strategy. The Head of Internal Audit and Risk Management was satisfied the planning and preparation for the move was good.

The meeting was informed the Public Sector was being balloted for strike action on 10th July 2014. It was reported that the last strike did not cause the council to lose any critical activities.

RESOLVED:

1. that the report be received and its contents noted.
2. the Committee make any comments or recommendations as they see fit either to the Executive or Director of Finance.

7. PROPOSED SCHEDULE OF MEETINGS FOR THE FINANCIAL YEAR 2014-15

The Director of Finance presented to the Committee the schedule of meetings and their agendas for the Financial Year 2014-15 agreed at the meeting of 19th March 2014. The Committee was recommended to note the plan and content, and raise any issues or questions with the report author or the Director of

Finance.

The Head of Internal Audit and Risk Management presented the report, and informed Members the Plan may change over the year due to unforeseen circumstances. The Plan included draft training suggestions, and it was noted the membership of the Committee remained the same, so training listed for July 2014 was not required. Members were asked to let the Chair or officers know if they wanted a particular briefing session to be organised.

It was noted a briefing session for Members who were not familiar with financial reporting documentation and accounts would be useful, as would information on training sessions delivered by external organisations, for example, KPMG.

RESOLVED:

1. that the report be received and its contents noted.
2. the Committee raise any issues or questions with the report author or Director of Finance.

8. CLOSE OF MEETING

The meeting closed at 7.09pm.