



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 8 FEBRUARY 2017 at 5:30 pm

P R E S E N T:

Councillor Westley (Chair)

Councillor Alfonso
Councillor Cank

Councillor Dr Chowdhury
Councillor Hunter

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56. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Dr. Barton and Patel.

57. DECLARATIONS OF INTEREST

There were no declarations of interest made.

58. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting of the Audit & Risk Committee held on 16 November 2016 be confirmed as a correct record.

59. ANNUAL REPORT ON GRANT CLAIMS AND RETURNS 2015/16

The External Auditor submitted an Annual Report to the Committee for noting, for the Certification of Grant Claims and Returns for 2015/16. Adrian Benselin, Audit Manager (External Auditor KPMG) presented the report.

Attention was drawn to the Headlines and Audit Fees, summarised in the report.

The Chair thanked the External Auditor for the report.

RESOLVED:

That the report be noted.

60. EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE

The External Auditor submitted a report for noting that provided the Committee with an overview on progress in delivering responsibilities as external auditors. The report also highlighted the main technical issues which were currently having an impact in local government. Also included was a report from the Audit Committee Institute for information.

John Cornett, Director of KPMG, presented the report, and made the following points:

- The timetable for the closure of the 2017/18 accounts would be earlier, with draft accounts required by the end of May 2018, for final sign-off at the end of July;
- An Audit Plan of upcoming work would be brought to the Audit & Risk Committee meeting on 22 March 2017;

In response to a comment by the Chair regarding children's services, it was noted that the high number of authorities not providing good services was due to the national shortage of quality staff, with authorities facing issues recruiting and retaining qualified staff.

The Chair thanked the External Auditor for the report.

RESOLVED:

That the report be noted.

Adrian Benselin informed the meeting that he would be retiring from KPMG, and he had attended his last Audit & Risk Committee meeting, and wished Members all the best for the future. The Chair on behalf of other Members thanked Adrian for his dedication to Leicester over the years.

61. REGULATION OF INVESTIGATORY POWERS ACT 2000 - BI-ANNUAL PERFORMANCE REPORT JULY 2016 - DECEMBER 2016

The City Barrister and Head of Standards submitted a report for noting, advising the Committee on the performance of the Council in authorising Regulatory Investigatory Powers Act (RIPA) applications from 1 July 2016 to 31 December 2016. Lynn Wyeth, Head of Information Governance & Risk, presented the report.

Members were informed that the Council applied for and were granted three Directed Surveillance Authorisations by a Magistrate for:

- Fraudulent use of a blue badge disabled parking permit;
- Two incidents of fly tipping.

Members sought assurance that better enforcement of the blue badge scheme would take place, and better preventative measures be introduced to reduce abuse of the scheme.

It was agreed that the Democratic Support Officer would circulate a Powerpoint presentation 'Using Comms Data in Investigations' and the Investigatory Powers Bill to Members of the Audit & Risk Committee.

The Chair thanked the Officer for the report.

RESOLVED:

That the report be noted.

62. INTERNAL AUDIT CHARTER

The Director of Finance submitted a report which sought the Committee's approval of minor updates to the Internal Audit Charter. The Committee was recommended to receive the report for formal approval and agree that it accurately reflected the terms of reference of the Internal Audit Service.

The Head of Internal Audit & Risk Management presented the report, and drew Members' attention to the minor amendments at Appendix 1 to the report.

The Chair thanked the Officer for the report.

RESOLVED:

That the updated Internal Audit Charter be received and approved.

63. RISK MANAGEMENT AND INSURANCE SERVICES UPDATE REPORT

The Director of Finance submitted a report for noting that provided the Committee with the regular update on the work of the Council's Risk Management and Insurance Services Team's activities. The Head of Internal Audit & Risk Management presented the report.

Members were asked to note there was nothing of significance to bring to the attention of the Committee. The report was summarised and detailed information in the appendices to the report was discussed.

The Chair thanked the Officer for the report.

RESOLVED:

That the report be noted.

64. DELEGATION OF THE CITY COUNCIL'S INTERNAL AUDIT FUNCTION AND PROVISION TO LEICESTERSHIRE COUNTY COUNCIL

The Director of Finance submitted a report to the Committee for noting. The report had previously been taken to the Executive for a decision on the delegation of the City Council's Internal Audit function to Leicestershire County Council, and the transfer of the City's general audit staff to the County, resulting in the County delivering an internal audit service to both Councils.

Colin Sharpe, Head of Finance, presented the report, and the Committee was informed the City Mayor had approved the delegation of the Internal Audit function, with effect from 1 April 2017. The following points were made:

- Technical audit staff would remain at the city;
- The Head of Finance would perform a client role with internal audit, liaising with County Council, and would become the lead officer for the Audit & Risk Committee;
- There would also be a County Council officer in attendance at each meeting;
- The Committee's responsibilities would not change;
- The primary reason for the delegation of the Internal Audit function was to ensure the City Council continues to meet its statutory duty to provide an effective internal audit service.

The Chair thanked the Officer for the report.

RESOLVED:

That the report be noted.

Councillors Cank and Hunter left the meeting at this point due to other council business.

65. INTERNAL AUDIT PLAN - QUARTER 4 2016/17

The Director of Finance submitted a report for noting to the Committee which presented the detailed operational audit plan for the fourth and final quarter of the financial year 2016/17. The Head of Internal Audit & Risk Management presented the report.

It was explained to the Committee that the carry forward of work as outlined at Appendix 1 to the report was the result of the service losing 98 days to sickness, plus the team having had three vacancies for most of the year. It was noted that next year, the service would become adequately resourced, and from 1 April the Head of Finance would work with County Council on new arrangements to provide an effective audit service.

The Chair thanked the Officers for the report.

RESOLVED:

That the report be noted.

The Chair asked that thanks be passed on to the Internal Audit team on the fine work they had done for the authority, even when under the pressures they had faced.

66. CLOSE OF MEETING

The meeting closed at 6.03pm