

AUDIT AND STANDARDS COMMITTEE

5 OCTOBER 2015

PRESENT: Councillor B Coates (Chair)
Councillors P Dillon, J McClurey, J McElroy.

**INDEPENDENT
MEMBER:** B Jones and G Clark

AS25 APOLOGIES

Apologies for absence were received on behalf of Judith Common and Councillors J Green, L Green and N Weatherley.

AS26 MINUTES

RESOLVED - That the minutes of the meeting held on 23 September 2015 be approved as a correct record.

AS27 INTERNAL AND EXTERNAL AUDIT JOINT PROTOCOL

The Committee received a report informing it of updates made to the protocol for liaison between Internal and External Audit. The working arrangements have been updated to ensure effective co-operation and efficient use of resources based on regular liaison, discussion, exchange of information and sharing of ideas.

The changes to the protocol reflect the Public Sector Internal Audit Standards, the Accounts and Audit Regulations effective 1 April 2015 and changes to key contacts.

RESOLVED- That the information be noted.

AS28 RESULTS OF THE 2014/15 CIPFA AUDIT BENCHMARKING

The Committee received a report informing of the annual Chartered Institute of Public and Finance & Accountancy (CIPFA) Audit Benchmarking results for 2014/15.

The report highlighted the benchmarking data which enables the comparison of the Council's Internal Audit Service with 45 other local authorities. Trends show that Gateshead's Internal Audit Services continues to be low cost with high productivity, compared with other local authorities in the benchmarking exercise.

RESOLVED- That the report be noted.

AS29 REVIEW OF INTERNAL AUDIT CHARTER

The Committee received a report informing it of the review of the Internal Audit Charter.

The Charter is a formal document that defines internal audit's purpose, authority and responsibility; setting out the Chief Internal Auditor's functional reporting relationships, rights of access for internal audit staff and the scope of internal audit activity.

It was queried whether employees, at all levels, are aware that fraud detection remains an ongoing area of work and that action will be taken on its discovery.

The Committee was informed that a fraud awareness bulletin is being prepared for distribution to employees, however, the potential to include examples of cases and outcomes will need to be explored further, due to the sensitivities surrounding such information.

RESOLVED- The Committee was satisfied with the revisions to the charter, as set out in the report.

AS30 CORPORATE RISK MANAGEMENT 2015/16 QUARTERLY REPORT TO 30 SEPTEMBER 2015

The Committee received a report informing of developments in Corporate Risk Management during the period 1 April 2015 to 30 September 2015, in compliance with the requirements of good corporate governance.

An action plan for the delivery of the Development Objectives for 2015/16 was appended to the report. Progress against the action plan during this quarter has been consistent as the majority of the work has been dependent on the update of the Council Plan.

A full review of the Strategic Risk Register is in progress and will be reported to the Committee at a future meeting.

RESOLVED- The Committee was satisfied with the progress made against the action plan.

AS31 ANNUAL GOVERNANCE STATEMENT 2014/15 – INTERNAL AUDIT REVIEW OF MANAGERS' ASSURANCES

The Committee received a report informing of the outcome of the work by the Internal Audit Service in reviewing the assurances provided by Service Directors to inform the 2014/15 Annual Governance Statement.

Overall the systems and processes for the completion of the Managers' Assurance Statements are operating well and they are providing a good level of assurance for the 2014/15 Annual Governance Statement.

RESOLVED- That the report be noted.

**AS32 DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT; A
FRAMEWORK – RESPONSE TO CONSULTATION**

A report was presented outlining the Council's response to the CIPFA consultation on Delivering Good Governance in Local Government: A Framework. The response was submitted by the 28 September 2015 deadline and was presented for information.

RESOLVED- That the report be noted.

AS33 TREASURY MANAGEMENT – PERFORMANCE 30 SEPTEMBER 2015

The Committee received a report summarising Treasury Management performance for the six months to 30 September 2015, covering investments and borrowing.

The Committee was satisfied with the performance to date and in particular the successful recovery of almost all of the Council's deposit in Heritable Bank, a wholly owned subsidiary of an Icelandic bank which entered administration in 2008/09. Officers remain confident that the outstanding balance of £0.056m is recoverable and agreed to undertake a calculation to establish the amount of interest lost.

RESOLVED- That report be noted.

AS34 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED- That the press and the public be excluded from the meeting during consideration of the remaining business in accordance with paragraph 7 of Schedule 12A to the Local Government Act 1972

AS35 INTERNAL AUDIT PLAN 2015/16 QUARTERLY MONITORING REPORT

The Committee received a report outlining progress made by the Internal Audit & Risk Service against the audit plan for the financial year 2015/16. The report also summarised the main findings arising from audit activity throughout the period 1 April 2015 to 30 September 2015.

RESOLVED- That report be noted.

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Councillor Brian Coates,
Chair of Audit and Standards Committee