

## AUDIT AND STANDARDS COMMITTEE

6 February 2018

7.00 pm – 8.56 pm

Council Chamber, Ebley Mill, Stroud

# 3

### Minutes

#### Membership

Councillor Nigel Studdert-Kennedy (Chair)	P	Councillor Keith Pearson	A
Councillor Rachel Curley (Vice-Chair)	P	Councillor Mark Reeves	P
Councillor Martin Baxendale	P	Councillor Tom Williams	P
Councillor Stephen Davies	P	Councillor Penny Wride	A
Councillor Colin Fryer	P		

A = Absent P = Present

#### Other Councillors present

Councillor Doina Cornell

#### Officers in attendance

Accountancy Manager and Acting Section 151 Officer	Head of Audit Risk Assurance (ARA)
Head of Legal Services and Monitoring Officer	Democratic Services Officer
Principal Accountant	Principal Procurement Officer

#### Also present

Darren Gilbert from KPMG, the Council's External Auditors.

#### **AC.034**

#### **APOLOGIES**

Apologies for absence had been received from Councillors Keith Pearson and Penny Wride.

#### **AC.035**

#### **DECLARATIONS OF INTEREST**

There were none.

#### **AC.036**

#### **MINUTES**

**RESOLVED**

**That the Minutes of the meeting held on 28 November 2017, are approved as a correct record.**

#### **AC.037**

#### **PUBLIC QUESTION TIME**

There were none.

**AC.038****STANDING ITEMS**

- (a) To consider the work programme.

The meeting of this committee which was due to take place on Tuesday 17 July 2018 will now take place on 26 July 2018.

An item on the Code of Conduct will be added to the programme for a future meeting.

- (b) To receive a verbal update on Risk Management

As agreed at the last meeting, this item will be a standard item on the agenda for every meeting. The Monitoring Officer reminded Committee of the points covered in the Chairman's email to the Committee to the effect that this will provide an opportunity for Committee to identify any strategic risks which it may want to consider in detail at future meetings.

Members were concerned that the Risk Register was not being completed or kept up to date in all cases. Each Committee's Performance Monitoring Champions also needed to identify any items of particular concern and feed back into this Committee. Responsible Officers or the Performance Monitoring Champions could be asked to attend, when necessary, to further explain any issues regarding strategic risks.

**AC.039****REVIEW OF ETHICAL FRAMEWORK**

The Monitoring Officer recommended the establishment of a task and finish group to review the Council's ethical framework for members.

Councillor Baxendale proposed a motion that a decision to set up a task and finish group be deferred until the next meeting in order for it to be considered by the Group Leaders. He commented that the Constitution Working Group should be reconvened to consider this. This was seconded by Councillor Fryer.

Members discussed the motion and advice was provided by the Monitoring Officer. The Monitoring Officer reminded the Committee that the ethical framework was the responsibility of the Committee and should be reviewed by the Committee on a regular basis. She highlighted that a recent review particularly of some elements of the framework had not taken place; this was an opportunity for the Committee to take a lead on the standards element of its terms of reference.

When Councillor Baxendale's motion was put to the vote, there were 3 votes for, 3 votes against and 1 abstention. The Chairman used his casting vote against the motion.

In line with the recommendation of the Monitoring Officer, the Committee then resolved to establish a task and finish group to consider the proposed review outlined in the report and for it to report back to Committee with suggestions on what to cover to its next meeting on 10 April 2018. Members of this preliminary meeting of the group were proposed to include Councillors Studdert-Kennedy, Curley or Tom Williams, Pearson Davies, and Baxendale (subject to their availability).

**RESOLVED** to establish a task and finish group to consider member standards of conduct as outlined in the Report.

**AC.040** **EXTERNAL AUDIT PLAN 2017/18**

Mr Darren Gilbert of KPMG, the Council's external auditors, presented this item. The Plan sets out the responsibilities of the Council under the Code of Practice on Local Authority Accounting in 2017/18. He explained that a draft statement of accounts needed to be prepared by the end of May and signed in July. Significant risks had been identified which required specific audits.

**AC.041** **ANNUAL REPORT ON GRANTS AND RETURNS 2016/17**

KPMG presented this report which summarised the results of work carried out on the Council's 2016/17 grant claims and returns, which included:

- Certifying the Council's 2016/17 Housing Benefit Subsidy claim.
- The pooling of housing capital receipts 2016/17.
- Housing and Communities Agency (HCA) compliance report on a specific housing development project. This return was still to be submitted.

**AC.042** **INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2017/18**

The Head of ARA presented this report which informed members of the internal audit activity progress in relation to the approved internal audit plan 2017/18. She explained an audit had been completed on the discretionary housing payment scheme. Internal Audit and Gloucestershire Fraud Unit is currently supporting the relevant service areas on counter fraud activity, which includes the introduction of a Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy.

**RESOLVED**

1. **Accept the progress against the Internal Audit Plan 2017/18; and**
2. **Accept 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.**

**AC.043** **ANNUAL GOVERNANCE STATEMENT 2016/17**  
**IMPROVEMENT PLAN – PROGRESS REPORT**

The Head of ARA explained that this report provided an update on the actions taken to address the key governance areas identified as part of the 2016/2017 annual review of governance arrangements operating within the council. It was highlighted that the ICT Strategy had been updated and a report will be forthcoming once all work had been carried out. An Information Sheet on the ICT Strategy work will be circulated to Members.

**RESOLVED** That Committee has reviewed and considered the actions taken to address the governance improvement areas identified.

**AC.044****3rd QUARTER TREASURY MANAGEMENT ACTIVITY  
REPORT 2017/18**

The Principal Accountant presented the report which provided an update on treasury management activity for the third quarter of this financial year and gave an explanation of tables contained in the report.

**RESOLVED**                    **To approve the treasury management activity third quarter report for 2017/18.**

**AC.045****TREASURY MANAGEMENT STRATEGY, ANNUAL  
INVESTMENT STRATEGY AND MINIMUM REVENUE  
PROVISION POLICY STATEMENT 2018/19**

The Principal Accountant presented this report which fulfils three key requirements of the LGA2003. It sets out the prudential indicators for 2018/19 – 2020/21 and also sets out the treasury strategy for this period. The current and planned borrowing position was explained.

**RECOMMENDED  
TO COUNCIL**

- 1. Adopt the prudential indicators and limits for 2018/19 to 2020/21;**
- 2. Approve the treasury management strategy 2018/19, and the treasury prudential indicators;**
- 3. Approve the investment strategy 2018/19, and the detailed criteria for specified and non-specified investments; and**
- 4. Approve the MRP Statement 2018/19.**

**AC.046****MEMBERS' QUESTIONS**

There were none.

The meeting closed at 8.56 pm.

Chair