

**Minutes of the meeting of the Audit and Standards Committee
held on 17 November 2016**

Present

Members:

Councillors John Beaumont, Bill Gifford, John Horner, Chris Saint, Bob Stevens and June Tandy

Independent Members:

John Bridgeman CBE (Chair)

Officers:

John Betts, Head of Finance
David Carter, Strategic Director, Resources Group
Sarah Duxbury, Head of Law and Governance
Jane Pollard, Legal Services Manager
Virginia Rennie, Strategic Finance Manager
Garry Rollason, Chief Risk and Assurance Manager
Ben Patel-Sadler, Democratic Services Officer

External Representatives:

Grant Patterson, Grant Thornton – Auditors

1. General

(1) Apologies

Apologies were received from Bob Meacham OBE.

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

None.

(3) Minutes of the meeting of the Audit and Standards Committee held on 8 September 2016

At page five of the minutes the Committee agreed to make an amendment to read 'The External Auditors informed the Committee that current investments in relation to the Pension Fund were performing satisfactorily'.

The Committee agreed that an agenda item should be added to the future Work Programme to provide members with an update in relation to Adult Social Care.

It was agreed that the minutes be signed by the Chair as a true and accurate record.

REPORTS TO BE CONSIDERED IN PUBLIC

2. External Auditors Annual Audit Letter 2015/16

Grant Patterson, Grant Thornton – Auditors introduced the report and informed the Committee that the Annual Audit Letter summarised all of the work completed as part of the 2015/16 annual audit along with a brief update on any issues since the last report to the Committee in September 2016.

Members noted that the Letter presented an unqualified opinion – at the present time overall certification could not be issued due to the External Auditors working through an objection which had been made by a member of the public. The Committee noted that progress was being made with regards to working through the objection. At the request of the Committee, Grant Thornton agreed to share the criteria used for determining whether or not a complaint was vexatious. Members noted that guidance was available on the External Auditor's website for members of the public in relation to how to make a complaint.

Grant Patterson informed the Committee that the most significant risk to the Council at the present time (in the opinion of the External Auditors) was the £67 million of savings which needed to be made by the authority over the next three years.

The Committee then discussed the CIPFA guidance which indicated that all local authorities would need to include a valuation of their highways infrastructure in their 2016/17 accounts. Virginia Rennie, Strategic Finance Manager informed the Committee that the inclusion of Warwickshire highways in terms of assets of the Council was likely to add around £7 billion to the balance sheet. It was important to note that this valuation did not mean that the Council had accumulated an additional £7 billion as usable income – it was merely a valuation placed on the highways located within the county. The Council was required to include a highways valuation in its 2016/17 accounts due to the IFRS accounting requirements which the Council adhered to. The Committee commented on the additional administrative burden that this placed on the Council with no readily identifiable benefit. Members noted that recent guidance had indicated that implementation would be delayed nationally by a year.

The Committee noted that this audit had been a good one with no significant issues identified.

Resolved:

The Committee agreed to note the report.

3. External Auditors Progress and Update Report

Grant Patterson, Grant Thornton – Auditors introduced the report and informed the Committee that page four of the letter outlined the work which had been completed by the External Auditors to date.

The Committee noted that the External Auditors had issued unqualified opinions on the Council's financial statements and Value for Money Conclusion on 23 September 2016 following the Council's approval of the financial statements on 22 September 2016.

Members were informed that the External Auditor's had recently launched a new website which focussed more on ease of access for users.

The Committee expressed interest in the initiatives being pursued nationally around mental health in the wider context of partnership working.

Resolved:

The Committee agreed to note the report.

4. Corporate Governance Framework

Jane Pollard, Legal Services Manager introduced the report and informed the Committee that CIPFA had revised their framework and guidance (Delivering Good Governance in Local Government) and therefore the opportunity had been taken to review the Council's code and align it with the new guidance. The Committee noted that the main changes were the positioning of sustainable, social and environmental outcomes as a key focus of governance processes and structures. CIPFA considered that the focus on sustainability and the links between governance and public financial management were crucial in these times of austerity and underpinned the need for local authorities to focus on long term solutions. The framework provided guidance to local authorities which they may adapt as they saw fit.

Resolved:

The Committee agreed to endorse the revised Corporate Governance Framework set out in Appendices B and C for onward submission to Cabinet.

5. Whistleblowing Policy

Jane Pollard, Legal Services Manager introduced the report and informed the Committee that the Council's existing Policy had been updated to reflect the changes to the law on protected disclosures and the statutory Duty of Candour which applied to the Council as a provider of care services.

The Committee noted that work had been undertaken by officers to simplify the existing Policy – there had not been any substantial changes made.

Members noted that no referrals had been made to Human Resources during the past two years under the existing Whistleblowing Policy. Referrals had been made using the Council's fraud hotline (some of which did not fall under the remit of the Whistleblowing Policy).

Members discussed the Council's Whistleblowing Policy where the following points were noted:

- There was a question as to whether the lack of whistle blowing cases indicated that the policy was working effectively or that staff were fearful of raising concerns.
- Some members of the Committee expressed a view that the Policy was too internally focussed and could be simplified in support of the whistleblower.
- Whilst some members of the Committee suggested that councillors could be included in the list of bodies/individuals in section 9 of the Policy, it was noted that the prescribed persons list, which includes MPs, was a government prescribed list, intended to cover external referrals.
- Some members commented that wherever possible whistleblowing concerns should be resolved internally and noted that operational management of staff was a matter for officers.
- Some members of the Committee expressed a view that there was scope to explore whether the charity Public Concern at Work (PCAW) could play a role.
- Some members of the Committee expressed a view that the wording of the Policy should be reviewed to ensure that its focus was on encouraging people to come forward with any concerns they might have.

Resolved:

The Committee agreed that officers should undertake more work in relation to the proposed revisions to the Whistleblowing Policy before it was to be brought back before to the Committee at a future date.

6. Work Programme and Future Meeting Dates

The Committee noted the work programme and future meeting dates to be held in Shire Hall at 10:00 a.m. as follows:

- Wednesday 1st February 2017
- Thursday 1st June 2017
- Wednesday 6th September 2017

7. Any Other Business

None.

8. Reports Containing Confidential or Exempt Information

It was resolved that members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS)

9. Consideration of the Exempt Minutes of the Audit and Standards Committee meeting held on 8th September 2016

10. Internal Audit Progress Report

The Committee rose at 11.05 am.

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Chair