

Action By

46/15 APOLOGIES (AGENDA ITEM 3)

Apologies for absence were received from Councillors Taylor and Wilkinson. Councillor Hollis, substitute for Councillor Taylor, also sent her apologies.

47/15 URGENT BUSINESS (AGENDA ITEM 4)

None.

48/15 DECLARATION OF INTERESTS (AGENDA ITEM 5)

None.

49/15 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA ITEM 6)

The Chairman welcomed Councillor Dimoglou to the meeting. *(It should be noted that Councillor Dimoglou was a substitute for the Audit Committee, however was appointed a Cabinet Member on 15 September 2015).*

50/15 TRAINING (STANDING ITEM) (AGENDA ITEM 7)

Mr Ludlow asked why the Breckland Training Services report had not come to Committee, as this should have been reported in July.

The Chairman asked for a report of Breckland Training Services to be presented at the next meeting. The Internal Audit Consortium Manager agreed to take these comments back to the Executive Director Commercialisation.

EH/JK

51/15 STRATEGIC RISK REPORT (AGENDA ITEM 8)

The Corporate Improvement & Performance Team Leader presented the report to Members.

Mr Stevens highlighted that the Expected Benefits section had not been completed and asked for it to be included in future reports.

Councillor Hewett asked why there had not been any risk objectives set on the delivery of the Corporate Plan. It was mentioned this had been encapsulated under the 'Failure to deliver the Council's Corporate Priorities'. Councillor Hewett went on to say he had expected to see it listed as a higher risk, and whilst the impact on the Council would be lower in financial terms, the Corporate Priorities encapsulated everything the Council had set out to achieve.

The Corporate Improvement & Performance Team Leader said the new system, Covalent, was a tool used to produce the risk data, and was only as good as the content included.

Mr Ludlow said he expected to receive the Strategic risks and priorities in the Insurance regulations, and felt concerned that the report only presented strategic risks, and not operational risks. He asked if the Audit Committee were fulfilling their Terms of Reference. He had noted the

	<u>Action By</u>
<p>report did not cover the detailed information they were used to; such as the risk register, direction of travel and target scores, and how the risks would be mitigated.</p> <p>It was reported that due to the implementation of the new system a management decision had been taken to produce operational risk reports at a later date.</p>	
<p>The Chairman asked for the Terms of Reference to be circulated, and asked for a report that covered the 10-month gap of operational risks to the next meeting.</p>	EH
<p>Councillor Hewett asked for the report to be presented to Members directly from the system and therefore Members could instantly see the different range of reporting mechanisms it could produce.</p>	
<p>The Corporate Improvement & Performance Team Leader agreed with this suggestion.</p>	JW
<p>52/15 <u>ANNUAL AUDIT LETTER 2014/15 (AGENDA ITEM 9)</u></p>	
<p>Mr Murray, External Auditor for Ernst and Young presented the letter, of which Members noted the content.</p>	
<p>53/15 <u>LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING (AGENDA ITEM 10)</u></p>	
<p>Mr Murray, External Auditor for Ernst and Young presented the report, of which Members noted the content.</p>	
<p>54/15 <u>INTERIM MID YEAR TREASURY REPORT (AGENDA ITEM 11)</u></p>	
<p>The Senior Accountant Capital and Treasury presented the report to Members.</p> <p>A number of issues had arisen and therefore an interim Mid-Year report was being presented for Members to note, for approval in advance of the formal Mid-Year report in December.</p> <p>Members were updated on the roles and job titles following the recent management re-structure.</p> <p>The Council continued to use the colour coding methodology to determine appropriate counterparties with which to invest. The Council's policy currently only allows for investment in non-UK banks if they had a sovereign rating of AAA. In June, the Council's treasury advisors issued an update on Sovereign ratings.</p> <p>The Council's overdraft banking arrangement with Barclays would be reduced in Year 2, to £250,000. Operationally the figure was adequate as the Council operated as such that it only accessed the overdraft if a buffer was needed.</p> <p>Councillor Hewett felt the recommendation was sensible as it enabled flexibility of individual counterpart banking. He found it strange that the Council had not been able to invest in the UK.</p>	

Action By

Mr Ludlow asked if the Council should consider investing in non-financial institutions.

The Chairman said the Council had the duty to get the best return on its investments.

The Senior Accountant Capital and Treasury said there was a framework to enable investment in instruments other than cash.

Members agreed to put forward the recommendation to Full Council, subject to adding 'providing individual counterparts are also AA-' at the end of the sentence.

Recommend to Full Council that:

The Treasury Policy is amended to reduce the Sovereign rating for non-UK investments to AA- with immediate effect in accordance with our Treasury Advisors update from 9 June 2015, providing individual counterparts are also AA-.

55/15 WORK PROGRAMME (AGENDA ITEM 12)

The Chairman asked for Intellectual Property Rights to be added to the December Agenda.

Treasury Management Training would be provided to Members immediately following the December meeting and the Chairman encouraged all Members and Substitutes of the Audit Committee to attend. A short training session the Committee's Terms of Reference would also be provided in December.

It was suggested that an explanation of Risk Management processes be provided to Members in February 2016.

56/15 NEXT MEETING (AGENDA ITEM 13)

As it was the last meeting that Mr Murray would be attending, the Chairman thanked him for his contributions to the Audit Committee.

The arrangements for the next meeting on Friday 11 December 2015 at 10.00am in the Norfolk Room were noted.

The meeting closed at 11.00 am

CHAIRMAN