

## **AUDIT COMMITTEE**

Minutes of the meeting held on 13 January 2015 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Brookbank (Vice Chairman)

Cllrs. Mrs. Bayley, Brown, Fittock and Towell

Apologies for absence were received from Cllrs. Orridge and Mrs. Purves

Cllrs. Lindsay and Ramsay were also present.

### 28. Minutes

Resolved: That the minutes of the Audit Committee held on 9 September 2014 be agreed and signed as a correct record subject to the inclusion of Cllr. Fittock's apologies.

### 29. Declarations of Interest

There were no additional declarations of interest.

### 30. Actions from Previous Meeting

There were none.

### 31. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations

There were none.

### 32. External Audit - Housing Benefit Subsidy 2013/14

The Chairman welcomed Grant Thornton to the meeting, the Council's External Auditors.

The Chief Officer presented a report which detailed the outcome of the 2013/14 audit of the Housing Benefit Subsidy. Some errors were identified in 2013/14, however the number of errors had reduced year-on-year. The Department for Work and Pensions (DWP) required that any claims being incorrect by as little as 1p were classified as errors, resulting in additional testing. The number of errors had been reduced due to staff training and the computerisation of some processes.

In response to a question Members were advised that overpayments resulting from errors were being claimed back.

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*Action 1: Chief Finance Officer to provide an analysis and breakdown of the errors, the cost of the service and details of the cost of the audit, had there been no errors.*

Members were advised that it was unrealistic to expect no errors. In comparison to other Local Authorities the number of errors was relatively small. Members were also informed that the audit testing was carried out on a sample basis, and if an error was found in the sample then another sample had to be tested. In total 240 cases were looked at.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

### 33. External Audit - Annual Audit Letter 2013/14

Mr. Geoffrey Banister presented the Annual Audit Letter 2013/14 which summarised the reports that had been presented to the Committee over the past year which was a requirement of the Audit Commission. He advised that the Council were given an unqualified Value for Money conclusion for 2013/14 which was a strength of the Council. The Council's 10 year financial plan had been identified as good practice and had been shared with other Councils.

In response to a question, Members were advised that the additional fee of £2,000 was due to rectifying minor errors in the draft financial statements. Members were advised that in future additional proof-reading of the draft financial statements would be carried out by Officers to try and avoid these errors.

*Action 2: That details of the additional fee be provided to Members.*

The Committee thanked Grant Thornton for their work.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

### 34. Internal Audit 2014/15 - 2nd Progress report

The Audit, Risk and Anti – Fraud Manager presented a report which detailed the progress of the Internal Audit Team in delivering the Annual Internal Audit Plan 2014/15 and the outcomes of final internal audit reports issued since the meeting of the Audit Committee on 9 September 2014.

He advised Members that there had been a slow start due to two staff vacancies within the team however two agency staff had been recruited and a third would be starting shortly in order to recoup lost productive days. He tabled an updated progress plan and

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Members were informed that two items had moved from the “feedback process in progress” to “final reports issued” and one item had moved from the “feedback process in progress” to “draft report issued” stage. One audit had also moved from “fieldwork in progress” to “feedback process in progress”.

In response to a question, the Audit, Risk and Anti-Fraud Manager advised Members that in certain cases, internal audit provided advice and guidance to Service Managers which were acted upon prior to completion of the audit process. Consequently some of the issues raised during an audit would have been addressed prior to the final report.

Members discussed whether the responsible Officer for Electoral registration could be invited to the next meeting to provide assurance that the new changes would be functioning as well as possible for the Election in May. Members were advised that this would be explored.

*Action 3: The Chairman to discuss with the Chief Finance Officer and the Audit Risk and Anti-Fraud Manager, how an update on Electoral Registration could be presented to the Committee.*

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the content of the report and progress made by the Internal Audit Team in delivering the 2014/15 Annual Internal Audit Plan be noted.

### 35. Report on Internal Audit Recommendations Outstanding

The Audit, Risk and Anti-Fraud Manager presented a report that detailed progress of the implementation of recommendations agreed with Management and the outstanding recommendations due for implementation by 30 November 2014. The report also detailed where implementation dates had been revised or where agreed recommendations had not yet been implemented. Members were advised that Internal Audit were content with the reasons for deadlines not being met.

In response to questions Members were informed that a recommendation on the Audit of Council Tax and Non Domestic Rates 2012/13, was for the payment system to be brought in line with other payment systems within the Council. Members were assured that online payments for Council Tax could still be made. Clarification on the Planning and Development Control 2013/14 recommendation would be sought and be provided at the next meeting.

*Action 4: That the Audit, Risk and Anti-Fraud Manager provide an update on the progress made on the recommendation for Council Tax and Non Domestic Rates.*

*Action 5: That the Audit, Risk and Anti-Fraud Manager provide clarification on the recommendation on Planning and Development Control*

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Members expressed some concern that the list of 'overdue' recommendations where implementation had been delayed appeared to be getting longer and requested that the responses were linked to the recommendation.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the information in Appendix A be noted
- b) the Audit Risk and Anti-Fraud Manager provide clarification regarding recommendation 14 relating to Development Control;
- c) the reasons for the delayed implementation be noted;
- d) the revised dates for implementation provided by Management, as noted in Appendix B to the report be endorsed; and
- e) the responses from Management be linked to each recommendation in future reports.

### 36. Whistle Blowing Report

The Audit Risk and Anti-Fraud Manager presented a report that set out the proposed amendments to the Council's Whistleblowing Policy which incorporated the requirements of the new Statutory Code of Practice recommended by the Whistleblowing Commission in 2013.

The policy would be available to staff on the staff intranet and they would be sent an email to advise that the new policy was available to read.

In response to a question, Members were advised that staff had previously been consulted on the existing policy but not on the amendments that had been made. Members believed that it was important for staff to be consulted on the policy for their comments.

Resolved: That subject to staff comments Members approved the proposed amendments to the Council's Whistleblowing Policy.

### 37. Members' Allowances Scheme - Monitoring

The Chief Finance Officer presented a report on Members' Allowance Scheme – Monitoring. Members were advised that it was Audit Committee's role to monitor the implementation of the scheme and that no issues had been reported by Democratic Services. Members were advised that the report would be brought annually to the Committee in the Summer as this was when the actual allowances claimed by each Member were published.

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It was raised by a Member that the Scrutiny Vice Chairman allowance was missing from Part 8 Schedule 1 of the Constitution.

*Action 6: That the Scrutiny Vice Chairman allowance be added to Schedule 1.*

Resolved: That the report be noted.

### 38. External Review of Internal Audit

The Chief Finance Officer presented a report which updated Members on the New Public Sector Internal Audit Standards which included a requirement for an external quality assessment which was currently taking place together with Dartford Borough Council (DBC). The review was nearing completion and a full report would be brought to the meeting in March. Informal feedback recently received from PwC was that the team were meeting the new standards but it was likely there would be some recommendations to improve working practices.

In response to a question Members were advised that the tender process was led by Dartford Borough Council only three firms had bid which were all national companies and PwC had won the tender. It was unknown whether it went to local companies as DBC led the tender.

Resolved: That the report be noted.

### 39. Work Plan

The work plan was noted.

THE MEETING WAS CONCLUDED AT 8.25PM

CHAIRMAN