

## AUDIT COMMITTEE

Minutes of the meeting held on 18 April 2017 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllrs. Clack, Halford, McArthur, Purves, Reay and Searles

Apologies for absence were received from Cllrs. Edwards-Winser and Layland

Cllr. Scholey was also present.

### 38. Minutes

Resolved: That the minutes of the Committee held on 10 January 2017 be agreed and signed as a correct record.

### 39. Declarations of Interest

There were none.

### 40. Actions from Previous Meeting

There were none.

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

There were none.

### 42. Internal Audit 2016/17 - 3rd Progress report

The Principal Auditor presented a report which set out progress of the Internal Audit Team in delivering the Annual Audit Plan 2016/17 and outcomes of final Internal Audit reports issued since the meeting of the Committee in January 2017. Since the report was published two further reviews had been finalised bringing the total to 18, with a further three audits at the feedback stage. Eight audits had been removed and four of these reviews would be carried forward to the 2017/18 plan. Members were also advised that since the publication of the agenda a further two audit reports had been issued bringing the total to 11.

Members discussed each of the summaries of the findings of the final reports and recommendations agreed with service management. It was questioned whether there was a procurement policy to encourage smaller businesses and local suppliers and if help was provided for the completion of the documents.

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*Action 1: Chief Officer Environmental and Operational Services to circulate information regarding procurement in particular regarding the approach to local suppliers.*

The Committee expressed their thanks to the Audit team for the progress made. It was requested that a letter be sent to the Chief Executive from the Chairman of the Audit Committee expressing thanks for the work of Officers.

### Public Sector Equality Duty

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

Resolved: That

- a) the report and progress made by the Internal Audit Team in delivering the 2016/17 Annual Internal Audit Plan be noted; and
- b) the Chairman of Audit Committee write to the Chief Executive expressing thanks for the work of Officers.

### 43. Report on Internal Audit recommendations outstanding

The Principal Auditor presented a report which updated Members on progress of the implementation of Internal Audit Recommendations agreed with management and to report on the outstanding recommendations due for implementation by 31 January 2017. Members were advised that the Council Tax Support recommendation was now complete and remaining feedback would be reported to the Committee in June 2017. Members were advised that as there was a new person in post for Emergency planning, an update on the recommendation made from this review would also be reported to the Committee in June 2017.

### Public Sector Equality Duty

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

Resolved: That

- a) no further information or explanation was required; and
- b) the reasons for delayed implementation, be noted and the revised dates for implementation provided by management be endorsed, as set out in Appendix B to the report.

### 44. Internal Audit Plan 2017/18

The Principal Auditor presented the report which incorporated the Annual Internal Audit Plan and Programmed Reviews for 2017/18. The objective of the plan was to ensure that Internal Audit resources were deployed in order to add value to the

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Council's objectives, whilst delivering reasonable assurance to the Council, regarding the effectiveness of internal control governance and risk management processes in fulfilment of the Council's statutory responsibilities.

The methodology for addressing the Council's key risks was set out in the Annual Audit Plan. Members' attention was brought to the proposed audit plan which gave a brief description of what the audit would cover. Consultation with management with regard to the detailed scope of the audit would take place before any audit fieldwork commenced. Identified risks on the Strategic Risk register or operational risk register were also included.

### Public Sector Equality Duty

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

Resolved: That the approach and the Internal Audit Plan for 2017/18 be approved.

### 45. Review of the Effectiveness of the Audit Committee

The Principal Auditor presented a report which put forward a proposal for assessing the achievements for the Audit Committee for the year 2016/17. The process incorporated the recommended self-assessment checklist from the CIPFA guide "Audit Committees - Practical Guidance for Local Authorities" and had been amended where necessary to reflect local needs or customs. To facilitate and expedite the process, the checklist had been completed as far as possible drawing from the work of the Committee in relation to its terms of reference, using the evidence available from the work of the Committee during 2016/17.

The self-assessment showed that the Audit Committee was effective with a tick in the yes box for each criteria. The Chief Finance Officer summarised the responses from the Questionnaire from the Members of the Audit Committee, including two additional responses which were received once the agenda had been published.

Members were advised that the full internal audit reports were only for Members and there was no government guidance for the full reports to be published. Members discussed the implications of the Freedom of Information Act and what other authorities practices were.

*Action 2: Chief Finance Officer to provide information on other local authorities best practice and the implications under the Freedom of Information Act.*

### Public Sector Equality Duty

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

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Resolved: That the Annual Self-Assessment review of the Effectiveness of the Audit Committee 2016/17 be noted.

### 46. Whistle Blowing Policy

The Principal Auditor presented the report which proposed amendments to the Council's Whistle Blowing Policy, which incorporated the requirement of the Statutory Code of Practice, recommended by the Whistle Blowing Commission in 2013. Members were advised that only minor changes had been made where appropriate to reflect the Code of Practice including; references made with regard to contacting the Anti-Fraud Team about a Whistle Blowing concern had been replaced with the Internal Audit Team and revision of the Whistle Blowing hotline and email address.

Members discussed the policy and requested that the number of reported Whistle Blowing cases and the result be added to the annual report in June.

### Public Sector Equality Duty

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

Resolved: That

- a) the proposed amendments to the Council's Whistle Blowing Policy be approved; and
- b) details of the number of Whistle Blowing cases and details of the result be added to the annual report for the meeting of the Committee on 13 June 2017.

### 47. Anti-Fraud and Corruption Strategy

The Principal Auditor presented a report which explained that the purpose of the Anti-Fraud and Corruption Strategy was to set out the council's commitment towards the prevention of fraud and corruption from both internal and external sources. Section 5 of the Strategy stated that the document was subject to review on an annual basis. The existing Anti-Fraud and Corruption Strategy was consistent with good practise and only minor changes had been made where appropriate. The changes made were: the removal of reference to Dartford Borough Council as it was no longer a joint policy; references to the Anti-Fraud Team had been replaced with Counter Fraud Team and reference was made to the Local Taxation/Council Tax Support Fraud and Compliance Strategy which was a document produced by the Counter Fraud Team.

### Public Sector Equality Duty

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

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Resolved: That the proposed amendments to the Anti-Fraud and Corruption Strategy as set out in Appendix A to the report be approved.

### 48. Draft Audit Committee Annual Report to Council

The Committee considered the Chairman's annual report for consideration at the Council meeting on 25 April 2017.

Resolved: That the report be commended to Council.

### 49. Work Plan

Members were advised of the following additions to the work plan:

13/06/17 - Internal Audit Strategy 2017/18  
External Audit - Statement of Accounts training (20 mins)  
Annual Governance Statement 2016/17

26/09/17 - Internal Audit 2017/18 - 1<sup>st</sup> Progress Report  
Statement of Accounts 2016/17

09/01/18 - Internal Audit 2017/18 - 2<sup>nd</sup> Progress Report  
Report on Internal Audit Recommendations Outstanding  
External Audit - Housing Benefit Subsidy 2016/17  
External Audit - Annual Audit Letter

Members were informed that the training discussed at the meeting on 10 January 2017, would be provided by CIPFA on Monday 5 June at 6.30pm for 3 hours at the Council. Dartford Borough Council Members would also be present.

THE MEETING WAS CONCLUDED AT 8.03 PM

CHAIRMAN