

AUDIT SUB-COMMITTEE

20th March 2019

PRESENT:-

Conservative Group

Councillor Grant (Chairman), Councillor Atkin (Vice-Chairman) and Councillor Stanton

Labour Group

Councillor Dunn and Shepherd

AS/41 **APOLOGIES**

Apologies for absence were received from Mr S Clarke (External Auditor).

AS/42 **MINUTES**

The Open Minutes of the Meeting held on 19th September 2018 and 12th December 2018 were taken as read, approved as a true record and signed by the Chairman.

In relation to Minute No. AS/37 of the 12th December 2018 Meeting, Councillor Shepherd raised he had requested it to be recorded he had asked the Chairman if the Core Principals set out in the report included members of the public.

Abstention: Councillor Stanton

AS/43 **DECLARATIONS OF INTEREST**

The Sub-Committee was informed that no declarations of interest had been received.

AS/44 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

The Sub-Committee was informed that no questions from members of the public had been received.

AS/45 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Sub-Committee was informed that no questions from Members of the Council had been received.

MATTERS DELEGATED TO SUB-COMMITTEE

AS/46 **LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING**

The External Auditor presented the report to the Sub-Committee, directing the Committee to the key components of the report, which were questions the Council should be considering of auditors, and the Transparency Report, which detailed the Financial Reporting Council's audit of the firm.

The Chairman reported to the Sub-Committee the key questions as detailed within the report had been considered and discussed with the Strategic Director (Corporate Resources).

RESOLVED:-

The Sub-Committee considered and noted the report of the External Auditor.

AS/47 **INTERNAL AUDIT PROGRESS REPORT**

The Internal Auditor presented the report to the Sub-Committee outlining progress within the Audit Plan and outstanding recommendations. The Internal Auditor identified key issues and relayed the feedback from across each dashboard, noting 51% of audits having been fully completed.

Councillor Dunn queried why the recommendations within the follow-up to the whistleblowing were not detailed within the report. The Internal Auditor responded that the recommendations have previously been brought to the Sub-Committee and the single outstanding recommendation will have been addressed by 1st April 2019, when a contract is due to commence. It was noted any weaknesses identified during the investigation, which were applicable matters for the Sub-Committee, had been brought to Member's attention as recommendations. The Internal Auditor further noted protection towards the whistle-blower and any subsequent HR implications had been dealt within relevant policies. Members noted further transparency around procedural actions in relation to the fall-out of the whistleblowing would have been welcomed, along with an understanding of the accusations made.

The Internal Auditor noted information and evidence had been received that the Parks and Open Spaces Audit had been addressed

The Chairman disagreed with the decision the Parks and Open Spaces Audit had been fully addressed given the action plan for improvement, developed following the risk assessment audit, had not yet materialised. He was concerned Parish Councils were not made aware a Play Audit had been due

to be carried out and the parameters of the audit were not clear. He was unsure if it had been fully established which play areas were the responsibility of the Council or the relevant Parish. He was highly concerned that without a robust inspection programme and recording system, this could present risks for the Council. The Chairman further stated an officer was requested to attend the Sub-Committee to account for the current progress and he was not satisfied with the Parks and Open Spaces Audit being marked as fully addressed without responsibility over play areas being established.

The Internal Auditor responded to the Chairman's comments, noting it was down to the specific officer to direct his concerns to. The initial recommendation was for a risk assessment to be completed to identify hazards, which has been completed. Any subsequent findings would need to be raised with the specific officer responsible as the original identified weakness has been addressed.

It was noted by the Sub-Committee concerns regarding the subsequent actions from the Parks and Open Spaces Audit could be raised to the Finance and Management Committee, to be recommended to the Environmental and Development Services Committee to follow-up.

RESOLVED:-

The Sub-Committee considered the report of the Audit Manager and agreed that any issues identified are referred to the Finance and Management Committee or subject to a follow-up report as appropriate.

AS/48

CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2017/2018

The External Auditor presented the report to the Sub-Committee, noting the report covers work completed around Housing Benefits Subsidy Claims and pooling of housing capital receipts. The External Auditor highlighted errors within calculation of claims were decreasing and improvements had been shown within Revenue and Benefits.

Councillor Shepherd queried if the recommendations as stipulated within the report had been discussed with the Strategic Director (Corporate Resources) and were due to be actioned. The External Auditor explained the recommendations had been discussed and would be met by the April deadline to be within the 2018/19 claim.

Councillor Atkin noted a deadline had not been identified for the high priority recommendation. The External Auditor clarified the recommendation related to reoccurring common errors and is due to staff training and cannot be addressed by a fixed point; a quality assurance process needs to be secure.

RESOLVED:-

1.1 The Sub-Committee considered the Claims and Returns Report for 2017/18 and noted the recommendations, together with management actions as detailed in Section 5 of the Auditor's Report.

AS/49 **AUDIT PLANNING REPORT FOR THE YEAR ENDING 31 MARCH 2019**

The External Auditor presented the report to the Sub-Committee, drawing Members' attention to the Council's arrangement to secure value for money and a new identified risk in relation to financial statements, due to new accounting standards.

RESOLVED:-

1.1 The Sub-Committee considered the proposed Audit Plan for the year ending 31 March 2019 and approved the proposed approach to undertaking audit work for the year.

AS/50 **PROPOSED INTERNAL AUDIT PLAN 2019-2020**

The Internal Auditor presented the report to the Sub-Committee, noting the report was the proposed body of work to be conducted over the next financial year; the proposed audit plan was detailed in Appendix A of the report. The Internal Auditor also noted the report contained the Internal Audit Service Charter, which detailed the standards and approach the Council can expect from the auditing service and the organisation was a separate entity from the Council.

RESOLVED:-

1.1 The Sub-Committee considered and approved the proposed Internal Audit Plan for 2019/20, subject to any changes agreed by the Committee.

AS/51 **COMMITTEE WORK PROGRAMME**

RESOLVED:-

Members considered and approved the updated work programme with the amendment

AS/52 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder

of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11

The Sub-Committee was informed that no questions from Members of the Council had been received.

The Meeting terminated at 5.25PM.

COUNCILLOR J GRANT

CHAIRMAN