



**MINUTES of
AUDIT COMMITTEE
7 FEBRUARY 2019**

PRESENT

Chairman	Councillor P G L Elliott
Vice-Chairman	Councillor E L Bamford
Councillors	A S Fluker, B E Harker, M S Heard, Miss M R Lewis and Mrs M E Thompson

690. CHAIRMAN'S NOTICES

The Chairman drew attention to the list of notices published on the back of the agenda.

691. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor A K M St. Joseph.

692. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 6 December 2019 be approved and confirmed.

693. DISCLOSURE OF INTEREST

There were none.

694. PERFORMANCE AGAINST 2018/19 INTERNAL AUDIT REPORT

The Committee received the Performance Against 2018/19 Internal Audit report outlining progress to date with regard to work completed and any deviances to, or slippage, on the Internal Audit Plan 2018/19.

Mr Greg Rubins, Head of Internal Audit, took the Committee through the three summary reports namely Budgets and Performance Management, Main Financial Systems and Safe and Clean Environment. He informed the Committee that the three reports were moderate assurance level, all generally positive, hence the necessity for summary reports only. He advised that other audits were underway resulting in four

more reports to the next meeting and that he was confident all would be completed in time for comment by the Head of Internal Audit prior to sign-off.

Addressing the three summaries he reported the following:-

Main Financial Systems – a very positive report with substantial assurance on design and moderate assurance on effectiveness. He reassured Members that a large range of testing had been undertaken on financial systems e.g. payroll, financial ledger etc. with no errors found.

Budgets and Performance Management – a positive report with moderate assurance and effectiveness. It was noted that overall the Council monitors its budget performance robustly, with good work on the part of the finance team and council departments. All recommendations would be turned around quickly.

Safe and Clean Environment – both the street cleaning and waste management contracts were working well. However, contract monitoring meetings were required in order to tighten up processes and provide a robust audit trail. Overall the recommendations should be completed within a short period of time.

In response to Member questions Mr Rubins clarified:-

That staffing issues had delayed completion of the outstanding piece of work on the Fraud Risk Assessment. The Fraud Risk Assessment would be considered at the next Audit Committee meeting.

That sample testing varies depending on areas requiring review, already well managed areas will not be tested annually. However, when it came to main financial systems there was always an element of annual review due to the importance of assurance in this area. It was agreed that where appropriate Members be included in all sample testing going forward.

With reference to a query regarding the definitions on page 15 it was noted that it would be more helpful to have the definitions at the start of the report as opposed to the end.

The Director of Service Delivery addressed a question on the Appleton Waste Management contract regarding value for money. He advised that the Council always seeks value for money (VFM) on all contracts. In the case of the Appleton contract and to ensure VFM, the Council was undertaking soft market testing prior to making a decision to renew the contract.

RESOLVED that the Committee noted the progress against the 2018/19 Internal Audit Plan.

695. INTERNAL AUDIT - FOLLOW UP OF RECOMMENDATIONS

The Committee received the Internal Audit – Follow Up of Recommendations report outlining progress with regard to recommendations raised by Internal Audit for years 2015/16, 2016/17 and 2017/18.

Emma Donnelly, Assistant Manager, BDO presented the report to the Committee. She advised that the 8 recommendations in 2016/17 relating to the audits of Planning and Channel Shift had been removed. Given that these would be implemented under the Council's Future Model she suggested that these be presented in a separate report for consideration by a future meeting of the Audit Committee.

With reference to the 4 recommendations outstanding in 2017/18 relating to Disaster Recovery and Business Continuity it was noted that these were impacted by the IT Transformation Strategy, currently in train at the Council, hence the updated implementation date of June 2019.

The Director of Resources responding to Members queries regarding possible delays in implementation of high and medium recommendations 2016/17 and 2017/18 reported that: -

With reference to the 2016/17 recommendation on Key Financial Systems a meeting was held on Tuesday 5 February where it was agreed to deal with this as one of the service streams in the Future Model. Policies will be prepared to clarify the approach to acquisition, transfer and maintenance of Council properties and assets. This work will be progressed through the Asset Management Working Group, reported back to the next Audit Committee and submitted to full Council pre-Christmas 2019 for approval.

The 4 recommendations 2017/18 that relate to Disaster Recovery and Business Continuity were all being addressed within the IT Strategy. These would most likely be implemented earlier than 2019 with 1 being completed that afternoon, 7 February 2019, when the new internet line was installed. The remaining 3 recommendations were being delivered within the Future Model timeframe.

It was noted that all other historic outstanding recommendations were being brought forward and dealt with under the Future Council Model.

RESOLVED that Members noted the progress to date against the aforementioned recommendations.

696. EXTERNAL AUDIT - GRANT CLAIM CERTIFICATION: YEAR ENDED 31 MARCH 2018

The Committee received the External Audit – Grant Claim Certification report, attached as appendix 1 for the year ended 31 March 2018.

The Director of Resources presented the report advising that this was the annual audit of Housing Benefit. She drew Members' attention to the summary of the work undertaken. This was an accurate piece of work by the Customers Team that resulted in a smooth audit on the part of the Council with minimum amendments. It was noted that the fee applied by the auditors to this piece of work was not exorbitant.

Concerns were raised regarding the impact of Universal Credit. The Group Manager Customers said that although the introduction would inevitably have an impact this should be mitigated due to the staggered nature of the implementation.

The Committee congratulated the Group Manager Customers for the excellent work and asked that their compliments be passed to the team.

RESOLVED that Members noted the Certification of Claims and Returns Annual Report for the year ended 31 March 2018.

There being no further items of business the Chairman closed the meeting at 3.35 pm.

P G L ELLIOTT
CHAIRMAN