

AUDIT COMMITTEE (SBDC)

Meeting - 18 January 2018

Present: D Anthony (Chairman)
P Griffin, P Hogan and G Hollis

Apologies for absence: L Hazell and R Sangster

31. ELECTION OF CHAIRMAN

It was proposed by Councillor Hollis, seconded by Councillor Hogan and

RESOLVED that Councillor Anthony be elected as Chairman of the Committee for the remainder of 2017/18.

32. APPOINTMENT OF VICE-CHAIRMAN

It was proposed by Councillor Anthony, seconded by Councillor Hogan and

RESOLVED that Councillor Hollis be appointed as Vice-Chairman of the Committee for the remainder of 2017/18.

33. MINUTES

The minutes of the meeting held on 28 September 2017 were confirmed and signed by the Chairman.

34. DECLARATIONS OF INTEREST

There were no declarations of interest.

35. INTERIM PROGRESS REPORT

The Committee considered an Internal Audit progress report from TIAA. Chris Harris attended on behalf of TIAA to summarise the report and respond to queries raised by the Committee. Audits finalised and all changes made to the annual plan were outlined on pages 10-11 of the reports pack. Positive progress was reported.

Appendix A on pages 13-14 of the reports pack detailed current statuses of audits and the Committee were advised that auditors had been identified and start dates confirmed for all audits which were yet to start and all were expected to be completed within timescales.

The waste services health and safety audit which had been carried out by a HSE expert had resulted in a limited evaluation with 18 recommendations, the majority of these related to the CDC contract with SERCO. The auditor was due to return in February 2018 to ensure recommendations had been implemented. The recommendations could be seen on pages 20-22 of the reports pack.

A Member advised that several complaints had been received from a resident in relation to their waste collections and the service proving inflexible in terms of the location bins needed to be to be collected from. It was requested that the process for special or exception collection by BIFFA be part of the next audit of Waste services..

It was **RESOLVED** that the report be noted.

36. STRATEGIC PLAN 2018/19 TO 2020/21 AND ANNUAL INTERNAL AUDIT PLAN 2018/19

The Committee received the Strategic Plan 2018/19 to 2020/21 and Annual Internal Audit Plan 2018/19 from TIAA. Chris Harris attended on behalf of TIAA to summarise the report and respond to queries raised by the Committee. Each Head of Service had been consulted and key audit areas were outlined in the report which could be seen on pages 23-48 of the reports pack.

As part of the Planning and Enforcement audits, the Committee wished to understand whether clear protocols had been established in dealing with enforcement as well as the number of historic enforcement cases that remained ongoing.

It was **RESOLVED** that the report be noted.

37. EY ANNUAL GRANT CERTIFICATION REPORT

The Committee considered the EY Annual Grant Certification Report. Sue Gill attended on behalf of EY to summarise the report and respond to queries raised by the Committee. The report can be seen in its entirety on pages 49-58 of the reports pack.

The Committee was advised that the indicative fee set by PSAA had been based on the work completed in previous years, however additional work had been required this year to cover the increase in 40+ testing which was required to comply with DWP requirements. This meant that the actual fee had increased by £4,000 to £24,985.

The Committee was advised that for 2018/19 the housing benefits subsidy claim audit could not be part of the main external audit contract that PSAA were letting and a separate audit appointment process would be necessary for this. Final guidance was awaited from DWP in terms of the scope of the future grant audit work and once this is received SBDC would proceed to appoint a grant auditor. As the grant audit contract does fall under contract procedure rules, the Council would need to follow these although exceptions can be made for instance to obtain the benefit of having the same auditor across both the main audit work and the grant audit work.

It was explained that the auditors were required to report all errors found in initial testing and DWP allowed effectively no discretion with respect to how small the errors were. These errors generated the requirement for 40+ testing.

It was **RESOLVED** that the report be noted.

38. **EY ANNUAL AUDIT PLAN**

Sue Gill presented the EY Annual Audit Plan and summarised the key issues. Audit risks and areas of focus were outlined on pages 63-64 of the reports pack. As reported at the previous meeting of the Audit Committee, a technical issue was raised about the Pension Liability Valuation due to Barnett Waddingham's slightly different method of assessment. Barnett Waddingham has now held discussions with the four large accounting firms and PWC had been commissioned by the National Audit Office to assess the work of Barnett Waddingham including the assumptions they had used.

Materiality was set at 2% which recognised the Council as a low risk Authority and it was confirmed that there were no independence issues.

It was **RESOLVED** that the report be noted.

39. **AUDIT WORK PROGRAMME**

It was **RESOLVED** that the Audit Work Programme be noted.

40. **UPDATE ON STANDARDS FRAMEWORK**

The Committee received a report which considered compliance with requirements of the Standards Framework and reviewed current notification documents. The Committee was advised that all Members had completed up to date registers of interests and that Members could now update their register of interests on the intranet as and when required. The Register of Interests Notification form could be seen on pages 99-108 of the agenda pack for information.

The Committee was advised that Town and Parish Council's Registers of Interests were also published on the Councils website and the issue was raised at the last liaison meeting with Parish Clerks. Towns and Parishes were encouraged to contact the Democratic Services team should they require any assistance.

Following discussion, it was **RESOLVED** by the Committee that the current notification form for disclosable pecuniary and non-pecuniary interests and the process for updating their interests remained fit for purpose.

41. **REVIEW OF GUIDANCE ON DISPENSATIONS**

The Committee received a report which considered whether the current procedures for granting dispensations to members remained fit for purpose. A verbal update was provided by the Monitoring Officer and following discussion by the Committee, it was **RESOLVED** that the Committee agreed that no changes were required to the Council's current guidance on dispensations.

42. **STANDARDS WORK PROGRAMME**

It was **RESOLVED** that the Standards Work Programme be noted.

43. **FREEDOM OF INFORMATION MANAGEMENT AND RIPA ANNUAL REPORT**

The Committee received the annual report which detailed Freedom of Information Management and RIPA activity. The Committee was advised that the number of freedom of information requests had continued to increase and the main enquires tended to be in regulatory areas with numerous requests having been from commercial companies enquiring about IT contracts and systems. 94% of requests had been responded to within 20 working days. Much of the process had been automated with more requests being directed to the website where a large amount of information had been made available. It was confirmed that the Council had not carried out any surveillance in 2016/17.

The Committee considered the Freedom of Information Management and RIPA Annual Report and it was **RESOLVED** by the Committee that the report be noted.

44. **ANY OTHER BUSINESS**

There was no other business raised for discussion.

The meeting terminated at 7.03 pm