

Audit Committee Minutes

Date: 27 March 2014

Time: 7.00 - 7.58 pm

PRESENT: Councillor M C Appleyard (in the Chair)

Councillors J L Richards OBE, A D Collingwood, P R Turner, D M Watson, I Bates and R Farmer

Also present: Maria Grindley, Audit Director (Ernst & Young)

OBSERVING: Councillor J A Malliff

43 MINUTES

RESOLVED: That the minutes of the meeting of the Committee held on 16 January 2014 be confirmed as a correct record and signed by the Chairman.

44 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor R Wilson.

45 DECLARATIONS OF INTEREST

There were no declarations of interest.

46 HEALTH & SAFETY UPDATE

The Committee received a report which updated members on health and safety issues. Karen Newman, interim Health and Safety Officer currently on secondment at the council from Buckinghamshire County Council, was welcomed to the meeting. The Shared Support Services Manager informed members that all statutory health and safety responsibilities are being met, and work has now begun on updating the work programme and forward planning. A revised work programme and action plan is to be brought to the Committee in June. In respect of the appointment of a permanent health and safety officer, the Committee remained concerned that a permanent appointment had still not been made: the Shared Support Services Manager advised that it was agreed that the post needed to be filled and a process to recruit was expected to begin shortly; it was anticipated that officers would be in a position to provide a positive update at the June meeting.

RESOLVED: That the Committee is concerned that the council has been unable to recruit a permanent Health and Safety Officer, and strongly recommends that an appointment is made as soon as possible, and before

the end of June, to allow for continuity from the interim Health and Safety Officer.

47 PROPOSED INTERNAL AUDIT ANNUAL PROGRAMME 2014/15

The Committee received a report which presented the proposed internal audit programme for 2014/15. It was noted that the programme had been compiled taking into consideration the following contributions:

- Requirements of the External Auditors to review core financial systems. The Council's Internal Audit service will continue to undertake the core financial audits, necessary to provide both Management and External assurance for the Annual Audit opinion;
- Areas of interest from the Chief Executive, the Corporate Director, the Council's S151 Officer and Heads of Service;
- Areas of interest as determined by the Audit, Risk and Fraud Manager;
- Additional sample testing work as determined by the Council's External Auditor.

It was clarified that Contract Reviews should also include Wycombe Swan, and that both this and the Sports Centre Operator review should be on an annual basis.

In debate members questioned how accountability is audited within major projects, and requested further information on the process for approving business cases, managing projects, project sponsorship, and lines of accountability. The Chairman undertook to clarify the scope of the Committee's remit in this regard, and to schedule a report into the work programme if appropriate.

RESOLVED: That:

- (i) the provisional Internal Audit programme for 2014/15 be noted;
- (ii) the plan be reviewed half-yearly and reported as part of the Audit, Risk and Fraud Manager's half yearly report.

48 ANNUAL REVIEW OF AUDIT COMMITTEE TERMS OF REFERENCE

The Audit, Risk and Fraud Manager informed the Committee that new CIPFA guidance on the function and operation of Audit Committees in local authorities had been issued, entitled 'Audit Committees – Practical Guidance for Local Authorities and Police'. This replaced the former guidance which had been issued in 2005. The Committee heard that a copy of the new guidance document would be made available in the Members' Room for a limited time.

In light of the new guidance, an assessment of the existing terms of reference of the Audit Committee and the Knowledge and Skills Framework was recommended, and completion of a self-assessment of good practice was required. The Committee

was invited to authorise the Chairman and Vice-Chairman of the Committee to complete the checklist in conjunction with the Audit, Risk and Fraud Manager, with the results to be brought to a future meeting.

RESOLVED: That

- (i) delegated authority be given to the Chairman and Vice-Chairman of the Audit Committee, in conjunction with the Audit, Risk and Fraud Manager, to complete the self-assessment of good practice as contained in CIPFA's 'Audit Committees – Practical Guidance for Local Authorities and Police' 2013 edition.
- (ii) a report on the results of the assessment of the Committee's terms of reference and the self-assessment of good practice be brought to the next meeting of the Committee in June.

49 ANNUAL REVIEW OF WYCOMBE DISTRICT COUNCIL'S ANTI-FRAUD AND ANTI-CORRUPTION POLICY

The Committee received a report which presented an updated Anti-Fraud and Corruption Policy, following annual review, to replace the policy previously agreed by the Committee in March 2013. The Audit, Risk and Fraud Manager informed the Committee that the review had identified only a couple of required minor changes: to reflect the introduction of the Council Tax Reduction Scheme and to replace references to the Serious Organised Crime Agency with references to the National Crime Agency (the new agency which receives suspicious activity reports). The Committee heard that the policy would be published on the intranet via review point and be available to all staff on the intranet.

The External Audit Director clarified, in respect of point 1.9 on page 22, that the auditor's duty was to *check* that adequate arrangements are in place for the prevention and detection of fraud and corruption, rather than 'to ensure that the Council has in place adequate arrangements...'

Members sought clarification on the whistleblowing process, which was responded to by the Audit, Risk & Fraud Manager, and also asked for further information on ISO 2002 and 14001 registration within the council which the Audit, Risk and Fraud Manager undertook to provide.

RESOLVED: That the 2014 Anti-Fraud and Corruption Policy be noted.

50 ERNST & YOUNG ANNUAL AUDIT PLAN

Maria Grindley, Audit Director, presented the annual Audit Plan for the year ending 31 March 2014, detailing how the external auditors intended to carry out their responsibilities as auditor. It was noted that two significant risks (i.e. identified and assessed risks of material mis-statement) had been identified: risk of management override and Group accounting. The Audit Director explained that the former risk (management override) is common to all plans this year, and is not specific to this Council.

The Audit Director also informed the Committee that subsequent to the publication of the audit plan in the meeting papers, consideration had been given to including a further risk - localisation of business rate risk and provision for appeals – and it had been agreed to add this risk into the plan.

RESOLVED: That the Audit Plan for the year ending 31 March 2014 be noted.

51 CERTIFICATION OF GRANTS AND CLAIMS 2012/13 ANNUAL REPORT

The Committee received the certification of claims and returns annual report 2012-13, setting out the external auditors' (Ernst & Young) assessment of the Council's various statutory grant claims. It was noted that there was just one recommendation - to improve the preparation and checking of future grant claims - and this will be implemented in time for the next grant claim.

RESOLVED: That the Certification of Claims and Returns Annual Report 2012-13 be noted.

52 AUDIT COMMITTEE WORK PROGRAMME

The Committee reviewed its work programme, as appended to the agenda.

RESOLVED: That the Audit Committee work programme, as set out in the agenda, be approved, subject to the following amendments:

That an item on major projects over the next 3 to 4 years, together with their audit and accountability arrangements, be brought to the June meeting.

That an item on monitoring of Red Kite be brought to the September meeting.

Chairman

The following officers were in attendance at the meeting:

Emma Lund	- Democratic Services
Brenda Watson	- Senior Accountant
Mike Howard	- Audit, Risk and Fraud Manager