

## Minutes

**Audit Committee**  
**Tuesday 16 December 2014**  
**Meeting held at Committee Room 3- Civic Centre,**  
**High Street, Uxbridge UB8 1UW**



	<p><b>Independent Member:</b> Rajiv Vyas (Chairman).</p> <p><b>Members Present:</b> Councillors George Cooper, Tony Eginton, Richard Lewis and Susan O'Brien.</p> <p><b>Officers Present:</b> Garry Coote (Corporate Fraud Investigation Manager), Dan Kennedy (Head of Performance and Improvement), Sarah Hydrie (Assistant Internal Audit Manager), Sian Kunert (Chief Accountant), Muir Laurie (Head of Internal Audit), Nancy Le Roux (Deputy Director of Strategic Finance), Paul Whaymand (Corporate Director of Finance) and Khalid Ahmed (Democratic Services Manager).</p> <p><b>Others Present:</b> Heather Bygrave and Jonathan Gooding (External Auditors - Deloitte).</p>
24.	<p><b>DECLARATIONS OF INTEREST</b></p> <p>Councillor Cooper declared a Non-Pecuniary Interest in Agenda Item 6 - Corporate Fraud Investigation Progress Report because one of the prosecutions detailed in the report related to a Constituent who he knew as a resident. He remained in the room and took part in discussions on the item.</p> <p>Councillor Eginton declared a Non-Pecuniary Interest in Agenda Item 5 – Deloitte - 2014/15 Annual Audit Plan because he was a deferred Member of the Local Government Pension Scheme. He remained in the room and took part in discussions on the item.</p>
25.	<p><b>MINUTES OF THE MEETINGS HELD ON 23 SEPTEMBER 2014</b></p> <p>Agreed as an accurate record.</p>
26.	<p><b>EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>It was agreed that all the items on the Agenda be considered in public with the exception of Agenda Item 11 - Risk Management.</p>
27.	<p><b>DELOITTE - 2014/15 ANNUAL AUDIT PLAN</b></p> <p>Consideration was given to a report which set out the initial plans for the 2014/15 audit by Deloitte.</p> <p>The Committee was provided with the key developments for</p>

	<p>the audit and was informed that the expected level of materiality calculated on the basis of gross expenditure for the full year would be £10.1m.</p> <p>The significant audit risks were identified and the main areas on which specific audit work would focus would be</p> <ul style="list-style-type: none"> <li>• Recognition of grant income</li> <li>• Recording of capital spend</li> <li>• Management override of key controls</li> <li>• Upgrade of Oracle financial system</li> </ul> <p>Reference was made to the scope of the work and approach which included six key areas:</p> <ul style="list-style-type: none"> <li>• Financial Statements</li> <li>• Annual Governance Statement</li> <li>• Value for Money conclusion</li> <li>• Assurance report on the Whole Government Accounts return</li> <li>• Pensions Audit</li> <li>• Grants</li> </ul> <p>Discussion took place on Risk Management and reference was made to the identification of accounting of schools as being a potential audit risk. Members were informed that CIPFA had not issued final guidance on the practical considerations of accounting for schools. Deloitte would monitor this potential risk and work closely with the Council Finance Team to address it.</p> <p><b>RESOLVED -</b></p> <p><b>1. That the Committee noted the report.</b></p>	<b>Action By:</b>
28.	<p><b>CORPORATE FRAUD INVESTIGATION PROGRESS REPORT</b></p> <p>The Committee was provided with a progress report from the Council's Corporate Fraud Investigation Manager. Reference was made to a range of activities which the team had been involved in since April 2014. These included:-</p> <ul style="list-style-type: none"> <li>• Social Housing Fraud</li> <li>• Council Tax/ Business Rates inspections</li> <li>• Right to Buy Investigations</li> <li>• First Time Buyer Investigations</li> <li>• Proceeds of Crime Investigations</li> <li>• Temporary Accommodation and Housing Needs Reception</li> <li>• Grants and Blue Badge prosecutions</li> <li>• Empty Properties Project</li> <li>• Single Fraud Investigation Service pilot</li> </ul>	



	<p>about the processes and procedures in place.</p> <p>Members were informed that this had been a good example of joint working as corrective management action had been taken in response to Internal Audit findings.</p> <p>The Committee was also informed that other assurance audits which had been finalised this quarter had included Business Continuity, Housing Temporary Accommodation and the thematic cross cutting reviews which had taken place at schools on payroll.</p> <p>The Head of Internal Audit reported that in relation to follow up work on previous Internal Audit recommendations, there had only been 4% outstanding high and medium risk recommendations. This compared favourably to last year.</p> <p>The Committee was informed that Internal Audit recommendations were monitored and implemented by using Internal Audit's software, TeamMate, and details of how this software worked was reported.</p> <p>Reference was made to a number of client comments on performance of Internal Audit, which had been positive.</p> <p><b>RESOLVED –</b></p> <ol style="list-style-type: none"> <li><b>1. That the Internal Audit progress report for 2014/15 Quarter 3 be noted.</b></li> <li><b>2. That the coverage, performance and results of Internal Audit activity be noted.</b></li> </ol>	<b>Action By:</b>
30.	<p><b>TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2015/16 TO 2019/20</b></p> <p>Members were reminded that the Annual Treasury Management Strategy was agreed by Council as part of the budget setting process in February. A draft of the strategy was brought before this Committee to enable greater scrutiny.</p> <p><b>RESOLVED -</b></p> <ol style="list-style-type: none"> <li><b>1. That the contents of the Treasury Management Strategy Statement and Investment Strategy be noted.</b></li> </ol>	
31.	<p><b>PROPOSED 2015/16 TRAINING &amp; DEVELOPMENT PLAN FOR AUDIT COMMITTEE MEMBERS</b></p> <p>The Committee was provided with a proposed training and development plan for Audit Committee Members, which was</p>	



	<b>6.20pm</b>	
	<b>Next meeting: 17 December 2015 at 5.00pm</b>	

These are the minutes of the above meeting. For more information on any of the resolutions please contact Khalid Ahmed on 01895 250833. Circulation of these minutes are to Councillors, Officers, the Press and Members of the Public.