

## Minutes

### Audit Committee

Thursday 2 July 2015

Meeting held at Committee Room 4- Civic Centre,  
High Street, Uxbridge UB8 1UW



HILLINGDON  
LONDON

	<p><b>Members Present:</b> Rajiv Vyas (Independent Chairman), Councillors Peter Davis, Tony Eginton, Richard Lewis and Susan O'Brien.</p> <p><b>Officers Present:</b> Kevin Byrne (Head of Policy and Partnerships), Sarah Hydrie (Principal Internal Auditor), Dan Kennedy (Head of Performance and Improvement), Muir Laurie (Head of Internal Audit), Elaine Portess (Principal Internal Auditor), Nancy Le Roux (Deputy Director of Strategic Finance), Paul Whaymand (Corporate Director of Finance), Martyn White (Senior Internal Audit Manager) and Khalid Ahmed (Democratic Services Manager).</p> <p><b>Others Present:</b> Jonathan Gooding (External Auditors - Deloitte).</p>	
2.	<p><b>MINUTES OF THE MEETINGS HELD ON 17 MARCH AND 14 MAY 2015</b></p> <p>Agreed as accurate records.</p>	
3.	<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 13 - Risk Management Report.</p>	
4.	<p><b>CORPORATE FRAUD INVESTIGATION TEAM PROGRESS REPORT APRIL 2015 TO MAY 2015</b></p> <p>The Committee was provided with a report which provided details of the work undertaken by the Council's Corporate Fraud Investigation Manager. Reference was made to a range of activities which the team had been involved in which included:-</p> <ul style="list-style-type: none"> <li>• Social Housing fraud</li> <li>• Council Tax/Business Rates inspections</li> <li>• Single Person Discount (SPD)</li> <li>• Temporary Accommodation and Housing Needs Reception</li> <li>• Right to Buy investigations</li> <li>• Proceeds of Crime investigations</li> <li>• Housing Waiting List</li> <li>• Insurance Claims</li> <li>• Enhanced Recruitment Verification</li> </ul>	<p><b>Action By:</b></p>

	<ul style="list-style-type: none"> <li>• Blue Badge</li> <li>• Procurement fraud</li> </ul> <p>Reference was made to the Leader of the Council agreeing a Business Case to restructure the Corporate Fraud Investigation Team which came into effect from October 2014. The Committee was informed that the restructure had ensured a fully resourced Fraud Team to deliver the Council's aim to detect and prevent fraud through a zero tolerance approach and to take appropriate action against offenders.</p> <p>Particular reference was made to the work carried out in relation to Social Housing Fraud and the excellent joint working which took place within the Council and with outside agencies.</p> <p>The Chairman praised the information provided but asked that consideration be given to providing statistics from previous years to enable comparisons to be made.</p> <p><b>RESOLVED –</b></p> <p><b>1. That the report be noted.</b></p>	<b>Garry Coote</b>
<b>5.</b>	<p><b>INTERNAL AUDIT - ANNUAL REPORT &amp; OPINION STATEMENT 2014/15</b></p> <p>The Committee was informed that the report provided the opportunity for the Head of IA to highlight to the Audit Committee any significant matters arising from the work of IA during 2014/15. The draft report had been considered by the Council's Corporate Management Team to allow comment by the officer body responsible for the Council's internal control, corporate governance and risk management arrangements.</p> <p>The Head of Internal Audit reported that despite a significant reduction in capacity, the Internal Audit Plan was 96% completed to draft report stage and there were only 3% of outstanding recommendations.</p> <p>Discussion took place on the key findings from the eight Internal Audit Reviews and Members asked that a report be submitted to the next meeting on progress made in relation to Corporate Construction, Housing Repairs &amp; Planned Maintenance.</p> <p>The Committee noted that Internal Audit had identified that 6 out of 7 schools which had been sampled, had not complied with certain requirements relating to Schools governance.</p> <p>The Committee noted the significant internal control weaknesses which had been identified and particular</p>	<b>Muir Laurie</b>

	<p>reference was made to the number of instances of non adherence to Council policies. Officers were asked to give consideration to developing a data base of all Council policies to ensure that these were kept up to date.</p> <p>The Committee was informed that Anthony Deane, Principal Internal Auditor had left the Authority. Members placed on record their appreciation for the good work he had carried out during his time at Hillingdon.</p> <p><b>RESOLVED –</b></p> <p><b>1. That the Annual Internal Audit Report and Opinion Statement 2014/15 be noted.</b></p>	<b>Action By:</b>
6.	<p><b>INTERNAL AUDIT - EFFECTIVENESS OF INTERNAL AUDIT</b></p> <p>The Principal Internal Auditor presented the report which provided the Committee with details of the review which had taken place into the effectiveness of the Internal Audit function.</p> <p>Overall the opinion had been given that there was reasonable assurance over the key risks to the achievement of objectives for the effectiveness of Internal Audit. It was noted that Internal Audit was compliant with 94.9% of the required questions contained within the best practise checklist.</p> <p><b>RESOLVED –</b></p> <p><b>1. That the findings, recommendations and management actions contained in the report be noted.</b></p>	
7.	<p><b>INTERNAL AUDIT - EFFECTIVENESS OF THE AUDIT COMMITTEE</b></p> <p>The Head of Internal Audit informed Members that the report provided independent, objective assurance to the Council over the Effectiveness of the Audit Committee and reviewed the following key areas of the Audit Committee:</p> <ul style="list-style-type: none"> <li>• Terms of Reference;</li> <li>• Independence and Membership;</li> <li>• Members’ relevant experience, training and development;</li> <li>• Review of key Audit Committee documents including (but not limited to) Statement of Accounts and the Annual Internal Audit Report; and</li> <li>• Meeting agendas and minutes.</li> </ul>	

	<p>Reference was made to the management action plan and the Committee noted the two recommendations relating to an annual review of the Committee's Terms of Reference and the development of a Training and Development Plan.</p> <p><b>RESOLVED –</b></p> <p><b>1. That the findings, recommendations and management actions contained in the report be noted.</b></p>	
8.	<p><b>INTERNAL AUDIT - PROGRESS REPORT FOR QUARTER 1 2015/16 (INCLUDING THE 2015/16 QUARTER 2 INTERNAL AUDIT PLAN)</b></p> <p>The Head of Internal Audit presented the report which provided summary information on all Internal Audit work covered in relation to the 2015/16 Internal Audit Plan, together with assurance levels in respect of the quarter one period.</p> <p>Members were informed that since the last progress report, 22 assurance reviews had been completed to final report stage, 8 consultancy reviews had been finalised and 1 grant claim had been verified.</p> <p>Discussion took place on aspects of the Internal Audit activity and reference was made to the work which was being carried out into the grant claim quarterly verification work on the Troubled Families Grant. Members were informed that improvements had been made in this area.</p> <p><b>RESOLVED –</b></p> <p><b>1. That the Internal Audit progress report for 2015/16 Quarter 1 be noted and approval be given to the Quarter 2 Internal Audit Plan for 2015/16.</b></p> <p><b>2. That the coverage, performance and results of the Internal Audit activity in Quarter 1 be noted.</b></p>	
9.	<p><b>SKILLS MATRIX AND TRAINING &amp; DEVELOPMENT PROGRAMME FOR AUDIT COMMITTEE</b></p> <p>Discussion took place and Members agreed that short training sessions should take place at every meeting of the Committee to enable the skills of all Members to be developed further. This training should also be offered to the named substitute Members.</p> <p>Reference was made to on-line training modules which could be used.</p>	<b>Muir Laurie</b>

	<p><b>RESOLVED –</b></p> <p><b>1.That the information reported be noted.</b></p>	<p><b>Action By:</b></p>
<p><b>10.</b></p>	<p><b>DRAFT ANNUAL GOVERNANCE STATEMENT (AGS) 2015-16</b></p> <p>The Committee was informed that steady progress has been made to deliver the key components feeding into the draft AGS, which had included collecting cross-Council assurance statements and reflected progress in Internal Audit reviews of key processes.</p> <p>The Council was on schedule to publish the AGS alongside the Statement of Accounts in September 2015.</p> <p>Discussion took place on the identified significant governance issues and in particular the need for a stronger, school-led, school improvement approach in Hillingdon. The Committee was informed that there were currently 20 schools out of 97 (including Academy schools) which had been judged by Ofsted as “requiring improvement”. The Committee was provided with assurance that the issues were being addressed.</p> <p><b>RESOLVED –</b></p> <p><b>1. That the draft AGS be noted and that the Committee would be asked to adopt the AGS alongside the annual accounts at the Committee's next meeting in September 2015.</b></p>	
<p><b>11</b></p>	<p><b>WORK PROGRAMME 2015/16</b></p> <p>Noted.</p>	
<p><b>12.</b></p>	<p><b>RISK MANAGEMENT REPORT 2014/15</b></p> <p>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed ‘information relating to the financial or business affairs of any particular person (including the authority holding that information)’ (paragraph 3 of the schedule to the Act).</p> <p>The report presented to Members the Corporate Risk Register till the end of March 2015 and also provided a summary of changes in risks on the Corporate Risk Register during the previous 12 months.</p> <p>Discussion took place on the report and officers were asked to</p>	<p><b>Dan Kennedy</b></p>

	<p>give consideration to a number of suggested risks which could be included in the Corporate Risk Register.</p> <p>The Chairman asked for information on the top ten risks for each Council directorate to be included in the next report to the Committee.</p> <p><b>RESOLVED –</b></p> <p><b>1. That the Committee reviewed the Corporate Risk Register (as at the end of March 2015), as part of the Committee's role to independently assure the risk management arrangements in the Council.</b></p>	<p><b>Action By:</b></p> <p><b>Dan Kennedy</b></p>
	<p><b>The meeting which commenced at 5.15pm, closed at 6.45pm</b></p> <p><b>Next meeting: 24 September 2015 at 5.00pm</b></p>	

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.