

Minutes

Audit Committee
Thursday 22 September 2016
Meeting held at Committee Room 4 - Civic Centre,
High Street, Uxbridge UB8 1UW



	<p>Members Present: Rajiv Vyas (Independent Chairman), Councillors Scott Seaman-Digby (Vice-Chairman), George Cooper, Peter Davis and Tony Eginton.</p> <p>Apology for Absence: Susan O'Brien (Councillor Peter Davis substituting).</p> <p>Officers Present: Garry Coote (Corporate Fraud Investigation Manager), Nancy Le Roux (Deputy Director of Strategic Finance), Sian Kunert (Chief Accountant), Muir Laurie (Head of Business Assurance), Elaine Portess (Assistant Internal Audit Manager), Martyn White (Senior Internal Audit Manager) and Khalid Ahmed (Democratic Services Manager).</p> <p>Others Present: Maria Grindley and Alan Witty (External Audit - Ernst & Young).</p> <p>Prior to the meeting, the Committee held a private meeting with the Corporate Director of Finance.</p> <p>Also the Committee were provided with a training session on the Role of the External Auditor.</p>
12.	<p>APPOINTMENT OF CHAIRMAN</p> <p>RESOLVED –</p> <p>1. That Mr Rajiv Vyas be appointed Chairman of the Committee for the rest of the Municipal Year.</p>

13.	<p>DECLARATIONS OF INTEREST</p> <p>Councillor Tony Eginton declared a Non-Pecuniary Interest in Agenda Item 7 - External Audit Report on the Pension Fund Annual Report and Accounts 2015/16 because he was a retired member of the Local Government Pension Scheme. He remained in the room during discussion on the item.</p> <p>Councillor Scott Seaman-Digby declared a Non-Pecuniary Interest in Agenda Item 7 - External Audit Report on the Pension Fund Annual Report and Accounts 2015/16 because he was a deferred member of the Local Government Pension Scheme. He remained in the room during discussion on the item.</p> <p>Councillor George Copper declared a Non-Pecuniary Interest in Agenda Item 7 - External Audit Report on the Pension Fund Annual Report and Accounts 2015/16 because he was a contributor to the Local Government Pension Scheme. He remained in the room during discussion on the item.</p>	
14.	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>It was agreed that all the items on the Agenda be considered in public with the exception of Agenda Item 12 - Business Assurance - Corporate Risk Register for Quarter 1 2016/17.</p>	
15.	<p>MINUTES OF THE MEETINGS HELD ON 12 JULY 2016</p> <p>Agreed as an accurate record.</p>	
16.	<p>APPROVAL OF THE 2015/16 STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT REPORT ON THE AUDIT FOR THE YEAR ENDED 31 MARCH 2016</p> <p>The Committee was provided with a report which summarised the findings of EY, the External Auditor, on the audit of the 2015/16 Statement of Accounts. The report summarised the Council's main financial statements.</p> <p>The Committee was informed that based on the work undertaken to date, EY anticipated issuing an unqualified opinion on the Council's financial statements, subject to the completion of outstanding work.</p> <p>The Committee was provided with details of audit differences, scope and materiality and significant audit risks.</p> <p>Members were informed that as new external auditors, EY had provided a more detailed audit and carried out more detailed testing. This was the reason why the audit of the Statement of Accounts was not finalised at this stage.</p> <p>The Committee expressed their dissatisfaction at the audit not</p>	<p>Action By:</p>

	<p>being completed in time for the Committee to sign off the statement of accounts. The EY representatives reported that the audit would meet the statutory deadline of 30 September, but for next year's audit, planning and time lines for the audit would be brought forward to ensure the Audit Committee signs off the statement of accounts.</p> <p>RESOLVED –</p> <p>1. That delegated authority be given to the Corporate Director of Finance, in consultation with the Chairman and / or Vice-Chairman of the Committee, to sign the statement of accounts on completion of the audit.</p>	
<p>17.</p>	<p>EXTERNAL AUDIT REPORT ON THE PENSION FUND ANNUAL REPORT AND ACCOUNTS 2015/16</p> <p>The Committee was provided with a report which summarised the findings of EY, the External Auditor, on the audit of the Pension Fund Accounts. The report summarised the Pension Fund accounts audit.</p> <p>The Committee was informed that based on the work undertaken to date, EY anticipated issuing an unqualified opinion on the Fund's financial statements, subject to the satisfactory completion of outstanding work.</p> <p>Reference was made to the following detailed work areas where further work was required.</p> <p>Members expressed their disappointment that the audit had not been completed.</p> <p>The Committee was informed that at the Pensions Committee on 21 September, delegated authority had been given to the Corporate Director of Finance, to sign the Pension Fund accounts on completion of the audit.</p> <p>RESOLVED –</p> <p>1. That the initial auditor's findings on the audit of the Pension Fund accounts for 2015/16 be noted.</p> <p>2. That the Committee considered and approved the Accounts of the Pension Fund, subject to changes made and approved by the Corporate Director of Finance, in consultation with the Chairman of the Pensions Committee.</p>	

<p>18.</p>	<p>CORPORATE FRAUD INVESTIGATION TEAM PROGRESS REPORT - APRIL 2016 -AUGUST 2016</p> <p>The Committee was provided with a report which provided details of the work undertaken by the Corporate Fraud Investigation Team (CFIT) from April to August 2016.</p> <p>Members were informed that Corporate Fraud Investigation Team activities since April 2016 included the following:</p> <ul style="list-style-type: none"> • Social Housing fraud • Council Tax/Business Rates inspections • Single Person Discount (SPD) • Residency and Verification checks • Right to Buy investigations • Proceeds of Crime investigations • Housing Waiting List • Enhanced Recruitment Verification • Council Tax Reduction Scheme (CTR) • Trading Standards • Blue Badge • Bad debts • Students • Unaccompanied Asylum Seekers • Benchmarking <p>The Corporate Fraud Investigation Manager reported that in relation to the Social Housing Fraud project, 40 properties had been recovered from April to August 2016.</p> <p>Reference was made to the work on the Housing Waiting List. Members were reminded that the purpose of the project was to identify through checking Council records, such as Council Tax information and electoral registration, people on the housing waiting list who were no longer entitled to Social Housing.</p> <p>Circumstances had either changed or people had provided false information on their application. Members were informed that removing these people from the waiting list meant that the Council would have an accurate data relating to current social housing needs for effective forward planning.</p> <p>The Committee noted that 1,909 applications had been removed from the waiting list since the project began.</p> <p>During the process, 32 cases had been identified where the household had been incorrectly claiming Single Person Discount for Council Tax which totalled £14.1k.</p>	
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	<p>Reference was made to the work started in relation to benchmarking which would measure the performance of the Team. Work was taking place with neighbouring authorities to share information to enable benchmarking to take place.</p> <p>The Corporate Fraud Investigation Manager was asked to develop targets within the work programme of the Team, to enable the level of success of the Team to be measured against other local authorities.</p> <p>RESOLVED –</p> <p>1. That the Committee considered and noted the Corporate Fraud Investigation Team report.</p>	
<p>19.</p>	<p>BUSINESS ASSURANCE - INTERNAL AUDIT PROGRESS REPORT FOR 2016/17 QUARTER 2 (INCLUDING THE QUARTER 3 INTERNAL AUDIT PLAN)</p> <p>The Senior Internal Audit Manager presented the report which provided summary information on all Internal Audit work covered in relation to the 2016/17 Quarter 2, together with assurance levels in this respect.</p> <p>Members were informed that since the last progress report, 5 assurance reviews had been concluded, 6 consultancy reviews and 2 follow-up reviews had been finalised and 2 grant claims had been certified.</p> <p>The Committee was provided with details of the Internal Audit Plan 2016/17 for Quarter 3.</p> <p>RESOLVED –</p> <p>1. That the Internal Audit progress report for 2016/17 Quarter 2 be noted and approval be given to the Quarter 3 Internal Audit Plan for 2016/17.</p> <p>2. That the Committee noted that the coverage, performance and results of Business Assurance Internal Audit activity within this quarter.</p>	
<p>20.</p>	<p>BUSINESS ASSURANCE - EFFECTIVENESS OF INTERNAL AUDIT 2016/17</p> <p>The Committee was provided with a report which provided details of the effectiveness of Internal Audit which had been assessed against the UK Public Sector Internal Audit Standards.</p>	

	<p>Members were informed that overall the Internal Audit opinion was that they were able give reasonable assurance over the key risks to the achievement of objectives for the Internal Audit function.</p> <p>RESOLVED –</p> <p>1. That the findings, recommendations and management action proposed in the report be noted.</p>	
<p>21.</p>	<p>AUDIT COMMITTEE FORWARD PROGRAMME 2016/17 AND 2017/18</p> <p>It was noted that there would be an item added to the meeting in December, on a Review of the Committee's Terms of Reference.</p> <p>In addition an item would also be added to the March 2017 meeting on External Quality Assessment of Internal Audit.</p> <p>Noted.</p>	
<p>22.</p>	<p>BUSINESS ASSURANCE - CORPORATE RISK REGISTER FOR QUARTER 1 2015/16</p> <p><i>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).</i></p> <p>The report presented to Members the Corporate Risk Register for Quarter 1 (April to June 2016). The report provided evidence about how identified corporate risks were being managed and the actions which were being taken to mitigate against those risks.</p> <p>RESOLVED –</p> <p>1. That the Committee reviewed the Corporate Risk Register for Quarter 4 (January to March 2016), as part of the Committee's role to independently assure the risk management arrangements in the Council.</p>	<p>Action By:</p>

	The meeting which commenced at 5.10pm, closed at 6.20pm	
	Next meeting: 15 December 2016 at 5.00pm	

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.