

## Minutes

### AUDIT COMMITTEE

31 January 2023



Meeting held at Committee Room 6 - Civic Centre,  
High Street, Uxbridge UB8 1UW

	<p><b>Committee Members Present:</b> John Chesshire (Chairman), Councillors Richard Lewis, Naser Abby, Tony Burles, Reeta Chamdal and Nick Denys</p> <p><b>LBH Officers Present:</b> Andy Evans (Corporate Director of Finance), James Lake (Head of Pensions, Treasury, Investments and Statutory Accounts), Michael Bradley (Interim Head of Internal Audit), Claire Baker (Head of Internal Audit), Stephanie Rao (Internal Audit Manager), Alex Brown (Head of Counter Fraud), and Anisha Teji (Democratic Services Officer)</p> <p><b>Also Present:</b> Helen Thompson, Ernst &amp; Young, and Larisa Midoni, Ernst &amp; Young</p>
31.	<p><b>APOLOGIES FOR ABSENCE</b> (<i>Agenda Item 1</i>)</p> <p>There were no apologies for absence.</p>
32.	<p><b>DECLARATIONS OF INTEREST</b> (<i>Agenda Item 2</i>)</p> <p>None.</p>
33.	<p><b>TO CONFIRM THAT ALL ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THAT ANY ITEMS MARKED PART II WILL BE CONSIDERED IN PRIVATE</b> (<i>Agenda Item 3</i>)</p> <p>It was confirmed that all items would be heard in Part I.</p>
34.	<p><b>MINUTES OF THE MEETING HELD ON 15 NOVEMBER 2022</b> (<i>Agenda Item 4</i>)</p> <p><b>RESOLVED:</b> That the minutes of the meeting held on 15 November 2022 be approved as a correct record.</p>
35.	<p><b>EXTERNAL AUDIT UPDATE OF THE 2021/22 STATEMENT OF ACCOUNTS</b> (<i>Agenda Item 5</i>)</p> <p>The Committee considered the progress of the 2021/22 annual external audit against the audit plans set out by the Council's external auditors EY.</p> <p>It was reported that the audit of the 2021/22 Statement of Accounts had progressed since the Audit Committee meeting in November 2022 and would be finalised by the end of February or beginning of March 2023.</p> <p>The Committee was informed that the audit was progressing with the support of the</p>

Council's accounting team who had been providing a timely response to queries. There were some challenges with the quality of the audit evidence received and delays with supporting evidence for valuation of property, plant and equipment. An update on infrastructure was also provided and it was noted that the CIPFA code had also been updated.

The complete papers would be circulated to the full Committee for comment and to allow an opportunity to ask any questions.

**RESOLVED: That the Audit Committee note the position regarding the 2021/22 Statement of Accounts and Audit Results report and delegate authority to the Corporate Director of Finance (in consultation with the Chairman and incorporating any views from other Members of the Audit Committee) to approve these on behalf of the Committee and to report back to the next Audit Committee meeting on these matters for ratification.**

36. **INTERNAL AUDIT PROGRESS REPORT QUARTER 3 2022/23 (INCL. THE QUARTER 1 2023/24 INTERNAL AUDIT PLAN) (Agenda Item 6)**

The Committee received the Internal Audit (IA) Progress Report for 2022/23 Quarter 3 and IA Plan for Quarter 1 which provided summary information on all IA work covered in relation to 2023/24, together with assurance levels in this respect.

The report outlined that eight assurance reviews relating to the 2021/22 and 2022/23 IA plans had concluded in addition to four grant claims having been checked and certified. Five assurance reviews were at the draft stage. It was reported that one assurance review was awarded a substantial assurance opinion, six received reasonable assurance and the Crematorium audit had received a limited assurance opinion. An update on staffing and resourcing was also provided, with Members noting that the permanent Head of Internal Audit was now in post. Further recruitment for other vacancies in the team was ongoing.

In response to Member questions regarding the limited assurance provided to the Crematorium audit, it was confirmed that there has been one high priority and two medium priority recommendations that needed to be met. A response from management was being provided and this would be followed up by IA.

It was noted that officers from the tri-borough Internal Audit team were undertaking an independent external quality assessment of the IA team.

During Member questions around outstanding assurance reviews, it was explained that the delay in the report being issued in 21A27 Service Tenancies and Payroll Rent Payments was due to management making improvements before a response being provided. The draft report had been issued for 22 A36 Capital Programmes and the delay in the final report being issued in 22A38 Domestic Violence Homelessness Process was due to quality assurance steps being undertaken. The topics for forthcoming audits had been based on the highest and priority risk areas.

The Committee welcomed the return of IA Key Performance Indicators in future reporting.

**RESOLVED:**

	<p>1. That the Audit Committee noted the IA Progress Report for 2022/23 Quarter 3 and approval be given to the 2023/24 Quarter 1 Internal Audit Plan.</p> <p>2. That the Committee noted the coverage, performance and results of Business Assurance Internal Audit activity within this quarter.</p>
37.	<p><b>CIPFA POSITION STATEMENT ON AUDIT COMMITTEES</b> (<i>Agenda Item 7</i>)</p> <p>The Committee received an update on CIPFA’s recent position statement: Audit Committee in Local Authorities and Police 2022.</p> <p>It was reported that there was general compliance with CIPFA’s position statement: Audit Committee in Local Authorities and Police 2022 however two areas could be improved namely the attendance of the Chief Executive at Audit Committee meetings and the Committee having two co-opted Members.</p> <p>In response to Member question around the benefits of Co-Opted Members, it was explained that Co-Opted Members could bring specialist skills and knowledge from across the sector. This would provide independent assessment and review of documentation and deliver better results. This would also help with the succession of the Audit Committee Chairman if they were to step down.</p> <p><b>RESOLVED: That the Audit Committee noted the contents of the report and asked officers to explore the matter of Co-Opted Members further.</b></p>
38.	<p><b>2022/23 QUARTERS 2 AND 3 CORPORATE RISK REGISTER</b> (<i>Agenda Item 8</i>)</p> <p>The Corporate Risk Register (CRR) for Quarters 2 and 3 (July – December 2022) report was presented to Members. The report provided evidence about how identified corporate risks had been managed and the actions which were being taken to mitigate those risks. The report summarised the corporate risks and key movements.</p> <p>It was noted that there had been key movements in Risk 2 - Meeting Housing Needs, Risk 4 - Litigation Claims, Risk 7 - School Places, Risk 8 - The General Data Protection Regulations and Risk 11 - Corona Virus. All risks had been reviewed and updated in accordance with the risk methodology.</p> <p>During Member discussions, it was noted that housing was a high risk and actions were being undertaken including collaborative working and heavy scrutiny at management meetings. Some concerns were raised with regards to the risk of cyber security attacks and it was noted that discussions were undertaken on a quarterly basis and controls and checks were already embedded. The outcome of the IT security audit was also due. It was clarified that the risk entry in relation to Risk 7 – School Places mainly recognised the additional complexity of this area and the increase in SEN cohort was being managed through the work undertaken by the DSG and the safety valve arrangements that the Council had secured.</p> <p>Further information was requested on the Council’s IT security measures in particular the easy access to Wi-Fi and whether the system had been tested by professional hackers.</p> <p><b>RESOLVED: That the Committee reviewed the Corporate Risk Register for Quarters 2 and 3 (July – December 2022) as part of the Committee’s role to</b></p>

	<b>independently assure the Council's corporate risk management arrangements.</b>
39.	<p><b>2022/23 QUARTER 3 COUNTER FRAUD PROGRESS REPORT</b> (<i>Agenda Item 9</i>)</p> <p>The Committee considered the report detailing the work undertaken by the Counter Fraud Team (CFT) in relation to 2022/23 Quarter 3 and assurances in this respect.</p> <p>It was reported that the CFT had achieved a loss prevention saving of c£3.75m bringing the year-to-date total to c£10.7m. During Quarter 3 the CFT had successfully recovered 25 properties, and this brought the year-to-date properties recovered as 62 (exceeding 2021/22 recovery figure of 42). Through work undertaken in bed and breakfast accommodation, six had closed due to non-occupation and 11 were currently open for investigation. There were 129 live investigations for tenancy fraud, five ongoing investigations in social care and 1782 inspections had been undertaken in the area of revenues.</p> <p>During Member questions, it was noted that there would be a focus on sustaining performance going forward. It was also noted that originally housing tenancy verification work was undertaken by the Housing team but this was now undertaken by the CFT to align the process more with fraud risks. The verification process took place at the point when properties were offered.</p> <p>The Committee commended the CFT for the figures and sustained level of work. Members had full confidence that key performance indicators would be delivered.</p> <p><b>RESOLVED: That the Audit Committee noted the Counter Fraud Progress Report for 2022/23 Quarter 3.</b></p>
40.	<p><b>AUDIT COMMITTEE FORWARD PROGRAMME</b> (<i>Agenda Item 10</i>)</p> <p>Consideration was given to the forward work programme for the Committee.</p> <p><b>RESOLVED: That the Audit Committee noted the Forward Work Programme for 2022/23.</b></p>
	The meeting, which commenced at 5.10 pm, closed at 6.06 pm.

These are the minutes of the above meeting. For more information on any of the resolutions please contact Democratic Services on 01895 250636 or email: [democratic@hillingdon.gov.uk](mailto:democratic@hillingdon.gov.uk). Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

**The public part of this meeting was filmed live on the Council's YouTube Channel to increase transparency in decision-making, however these minutes remain the official and definitive record of proceedings.**