Minutes

Audit Committee

Tuesday, 08 August 2023

Meeting held at Committee Room 5 - Civic Centre, High Street, Uxbrudge, UB8 1UW

	Committee Members Present: John Chesshire, Councillors Reeta Chamdal, Kishan Bhatt, Henry Higgins, and Tony Burles **Officers Present:** Tony Zaman – Chief Executive, Andy Evans – Corporate Director of Finance, James Lake – Director - Pensions, Treasury and Statutory Accounts, Claire Baker – Head of Internal Audit and Risk Assurance, Stephanie Rao – Internal Audit Manager, Alex Brown – Head of Counter Fraud, Jack Francis-Kent – Senior Internal Auditor, Niti Joshi – Deputy Principal Lawyer, Dan Kennedy – Corporate Director of Central Services, and Liz Penny – Democratic Services Officer **Also Present:** Helen Thompson, Ernst & Young, and Larisa Midoni, Ernst & Young
51.	**APPOINTMENT OF CHAIRMAN** The Democratic Services Officer opened the meeting by asking if there were any nominations for Chairman. John Chesshire was nominated and seconded as Chairman. No other nominations were received. **RESOLVED: That the Audit Committee appointed Mr John Chesshire as Chairman of the Audit Committee for the 2023-24 municipal year.**
52.	**APPOINTMENT OF VICE-CHAIRMAN** The Chairman asked if there were any nominations for Vice-Chairman. Councillor Reeta Chamdal was nominated and seconded as Vice-Chairman. No other nominations were received. **RESOLVED: That the Audit Committee appointed Councillor Reeta Chamdal as Vice-Chairman of the Audit Committee for the 2023-24 municipal year.**
53.	**APOLOGIES FOR ABSENCE**

	ApApologies were received from Councillor Nick Denys with Councillor Kishan Bhatt substituting. Apologies had been received from Councillor June Nelson.
54.	**DECLARATIONS OF INTEREST** None.
55.	**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** It was confirmed that items of business 1-15 were in Part I and would be considered in public and item 16 was a Part II item and would be considered in private.
56.	**MINUTES OF THE MEETING HELD ON 27 APRIL 2023** **RESOLVED: That the minutes of the meeting dated 27 April 2023 be agreed as an accurate record.**
57.	**EY UPDATE ON ACCOUNTS - TO FOLLOW** Officers introduced the EY update on accounts. The audit had progressed well since the last Committee to the point where EY were able to issue their draft audit results report. On other progress, the Capital Pooling certification was signed off by EY at the end of July and Hillingdon was very close to having the Housing Benefits certification signed off. This would hopefully come by mid-August, so 2021/22 was coming to a close in terms of the audit. EY outlined their draft audit results. It was confirmed that EY had issued the audit certificate for 2020/21, which had felt like a long time ago, however EY had had to wait for the National Audit Office to confirm that they were not going to ask EY to carry out any further work. The report set out EY’s findings and they were close to finalising the 2021/22 audit. The report had been issued on Friday (04 August) and there had not been much progress since. EY were working through their review processes and were liaising with officers to resolve any matters that may arise. EY had also completed their value for money risk assessment and there were no matters to report. EY confirmed their plan to complete the report of the audit as the EY officer noted that they would be leaving EY in mid-October and they were keen to try and complete the audit as much as possible before this. EY planned to update the audit results report, which was before Members at the current meeting, with the final conclusions

from the audit and to circulate to Members, and to arrange a meeting with the Chairman so that Members would receive the report about a week before EY would issue the audit opinion. Alongside this, EY would also like to issue the draft reporting on value for money by taking that approach, which would enable EY to conclude the audit effectively without being able to issue the certification for the same reasons relating to the National Audit Office. The reason for this is that the next Audit Committee meeting was scheduled for after the EY officer would have left EY and an extraordinary meeting was not the right way forward.

The main change in the scope of the audit was a change in materiality. EY had to reassess materiality levels in light of the audit differences identified and reported. With regard to the Better Care fund, planning materiality had reduced by £1m. EY were currently doing an exercise to determine the extent of that impact.

On audit differences, EY split the differences into two categories – those expected to stay unadjusted and those that have been agreed to be adjusted. However, EY were still to see an updated set of accounts which was being worked on.

The differences expected to stay unadjusted were with regards to pension liability; property, plant and equipment; and Council dwellings.

> On pension liability, this was a judgemental understatement of pension liability due to the Goodwin case of £2.5m. This was a recurring audit difference from prior periods (2020/21: understatement of £2.6m) that was likely to recur in future reporting periods until the case was resolved.
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> On property, plant and equipment, this was a judgemental overstatement of land and buildings values of £3.9m due to differences in professional opinion between professional valuers (Wilks Head & Eve and EY Real Estates) on undeveloped land values, external development costs and Central Depot valuation. This was a recurring theme in reported misstatements from the previous year’s audit.
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> On Council dwellings, this was not a current difference, it related to a prior year difference and was an overstatement of property values by £8.6m due to additions in 2020/21 being valued on an incorrect basis as at 31 March 2021 (historic cost as opposed to EUV-SH).

The differences expected to be corrected were with regards to health and social care income and expenditure; housing benefit debtor and creditor; pension liability; property, plant and equipment; and disclosures.

> On health and social care income and expenditure, this was an overstatement of income and expenditure in the amount of £41.6m due to grossing up of income and expenditure relating to the Better Care Fund arrangement. EY concluded that the Council should account only for its own share of income and expenditure. EY considered the Council’s assessment that no restatement of prior period comparatives was required under IAS8 qualitative and quantitative materiality criteria and concurred with their judgement.

On Housing benefit debtors and creditors, this was an overstatement of the debtors and creditors balance of £25.3m due to grossing up balances with the Department for Work and Pensions (DWP) instead of recognising the net balance only.

On pension liability, this was an understatement of defined pension liability by £21.6m following the triennial valuation as at 31 March 2022 and the update of the IAS19 schedule of results.

There were a number of miscellaneous differences with regards to property, plant and equipment. These were an understatement of a sample of land and building values by £2.5m due to incorrect gross internal area and land area size used by the Council's external valuers Wilks Head & Eve; an overstatement of community assets of £1.4m due to the assets being incorrectly revalued when they are held at depreciated historic cost; and an overstatement of properties of £1.6m which were disposed of but not derecognised.

On differences in disclosures, EY suggested a number of enhancements in disclosures to ease the understanding of the accounts by the users. The most significant were: on infrastructure assets, splitting out infrastructure assets as a separate line on the face of the balance sheet and disclosing the movement in a separate note, as well as updating the accounting policies to reflect the new statutory instrument relating to infrastructure assets accounting; on the Better Care Fund, disclosure on the face of the Comprehensive Income and Expenditure Statement ('CIES') to explain why no equivalent net off adjustment was made for the Better Care Fund in 2020/21 comparatives; and on pension liability, amendments to the pensions liability note to reflect the updated schedule of results for March 2022 following the impact on the Council's liability at the balance sheet dates as a result of assumptions used within the triennial valuation update.

There were significant risks: Valuation of land and buildings valued under the Depreciated Replacement Cost ('DRC') method and the Existing Use Value ('EUV') method; and Derecognition of infrastructure assets upon subsequent expenditure/ replacement. With regards to the significant risk of valuation of land and buildings valued under the DRC method and the EUV method, EY had received the management assessment of assets not valued in the year and management had estimated an impact of a £7.5 million understatement of such assets. This was currently under review and so EY were not concluding on this yet.

These adjustments had no impact on the bottom line in the accounts or outturn figures.

There were also fraud risks: management override – misstatements due to fraud of error; risk of inappropriate capitalisation of revenue expenditure; and account adjustments made in the 'movement in reserves statement'.

EY had completed their work on most of the enhanced risks. On the valuation of Council dwellings, EY had obtained sufficient assurance with regards to the valuation

	of Council dwellings as at 31 March 2022. However, EY's review procedures had revealed that a number of dwellings added in 2020/21 were only revalued in 2021/22, resulting in a social housing adjusting factor revaluation loss of £8.6m recorded in 2021/22, which should have been recorded in 2020/21. Management had chosen not to restate the comparatives because a restatement was not considered to be material to the users of the accounts. EY had reported this as a prior year unadjusted misstatement in section 4 of the report. There were some control observations. EY had not identified any significant deficiencies in internal controls but were recommending certain improvements, especially around fixed asset accounting and documentation retention on Key Management judgments on complex counting treatments. Members asked whether it was normal for there to be such a loss of £8.6m for valuations of social housing. EY noted that the evaluation was based on the CIPFA code and it only accounted for a portion of the market value of the properties according to the accounting standards and that was what was driving the large drop in value. The Chairman noted that the Committee were pleased to be getting to the end of the process and officers noted that there would be no delays in supplying EY with the finalised accounts. **RESOLVED: That the Audit Committee noted the position regarding the 2021/22 Statement of Accounts and Draft Audit Results Report and delegated 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.**
58.	**ANNUAL REPORT OF THE AUDIT COMMITTEE 2022-2023** Officers introduced the annual report of the Audit Committee 2022-23. This was a draft report from April 2022 until March 2023 summarising the work of the Audit Committee. Once approved, this report would be presented to Council. The Chairman noted that they were very happy with the report. **RESOLVED: That the Audit Committee approved the Draft Audit Committee Annual Report for 2022/23 and/ or suggests any amendments that should be made, where necessary, before the report is presented to Council.**
59.	**2023-24 Q1 CORPORATE RISK REGISTER** Officers introduced the 2023-24 Q1 Corporate Risk Register. Officers noted that the report included quarter 4 of the previous financial year and quarter one of 2023/24 as there was no Corporate Risk Register item in the previous meeting's agenda.

	The report provided evidence of how risks had been identified and managed, and what mitigating actions were in place. Since the previous update, which related to quarter 3, there had been only one change on the register, and lots of subsequent updates in terms of mitigating actions. This related to the coronavirus risk which had been retired at the end of quarter 4. It was acknowledged that pandemics can happen in the future and so in terms of risks, was about learning from the coping period. It was noted that while this risk item had been retired from the register, it could be re-introduced if necessary. During this time there were no new corporate risks on the register. It was noted that the Corporate Risk Register was now hosted on a Microsoft Excel document rather than the previous Microsoft Word version. It was now easier to filter and sort and had been replaced following consultation with the Corporate Management Team and Senior Management. Members asked about risk reference CRR8 – The General Data Protection Regulations, which was noted to arise from a minority of Council staff not complying with the Council's Data Protection policy due to a lack of awareness of lack of due consideration, and asked if this was due to repeat offenders or if it was a regular occurrence. Officers noted that the risk framed here was not necessarily residual risk. Senior Management scored risks based on financial impact and various other impacts such as the potential fine that the Local Authority could be given if it were not compliant. There were mitigating actions such as mandatory training and follow-up training built into inductions. There was monitoring from Learning and Development, and Legal Services had controls in place to monitor breaches that would be reported to the Information Commissioner's Office (ICO) where required. Wherever this had occurred, there had been positive feedback on the actions taken by the Council. The Chairman asked about the relationship between risks of inflation and balancing of the budget, which were closely linked. Inflation was marked as a static direction of travel, and the Chairman asked if this was changing now. Officers noted that they were currently identified separately because the current inflationary pressures were exceptional. There was a degree of overlap between the two. Inflationary pressures would feed into some of the challenges in balancing the budget but this was not the exclusive factor which was why inflation was currently on the corporate risk register but at other times it may not be. Given the volatility and the extent and variation in the forecast, inflation had remained a separate corporate risk at this this point. **RESOLVED: That the Audit Committee reviewed the CRR for Quarter 1 and suggest any comments/ amendments which will be shared with the relevant responsible officers.**
60.	**INTERNAL AUDIT PROGRESS REPORT Q1 2023-24** Officers introduced the Internal Audit Progress Report. Eight assurance reports were finalised during quarter 1: two substantial, four reasonable, and two limited. Following requests at the last Audit Committee meeting,

	a summary had been included for the two limited reports which were related to IR35 and Care Leavers allowances. There were three reports in draft, and the report outlined the audit plan and the detail of those reports (Trading Standards POCA, Capital Programme, and Risk Management). There were no concerns about getting the draft reports finalised. The forward plan of audits was a flexible plan and officers were already making changes. For example, the mortuary review had been brought forward; parking income had been moved back. A review had been added looking at budget monitoring alongside the savings programme audit. This demonstrated good engagement with different directors in terms of being flexible. Ad hoc consultancy into Section 106 funding had taken place. The Internal Audit Annual Report, Audit Committee Annual Report and Risk Management Annual Report had been drafted, as well as the Annual Governance Statement for 2022/23. Officers had continued to follow-up on older management actions and a summary was included within the report. This was a very high-level report due to the number of follow-up actions. More information would be included in future progress reports. Items were marked as overdue if officers had not received a response. Some of the overdue reports may have been due to officers changing roles, new appointments to services or service changes. There were no major concerns with any of these. The two oldest items were Corporate Payments and Community Safety. There was a new Principal Internal Auditor within the Internal Audit team. A new tracker had been put together and new processes were in place within the newly expanded Internal Audit team to ensure escalation of any delays through to the Corporate Management Team. New actions from 2022-23 audits would be added to the tracker. The External Quality Assessment that had been completed for the Internal Audit service was shared following the previous meeting and the actions from that report had been included in the progress report. All of the actions had now been completed. The Chairman noted that as the actions had now been completed, the Internal Audit team conformed with the standards. The KPIs (key performance indicators) which were agreed as part of the annual plan and were all based on the 2023-24 work plan. The tracker was only introduced in May to monitor completion and so improvement was expected going forward. Members asked how much involvement HR had had in the IR35 order, given that the Director of Procurement has taken ownership of it and contractors has been utilised. Officers noted that both Procurement and HR were involved in the audit, which was signed off by both together. One of the major findings was around who was going to take ownership and so HR were involved. The Chairman commended officers for their recruitment to the team and asked for clarification on the current staff structure. There was the Head of Internal Audit; the Internal Audit Manager; Principal Internal Auditor; Senior Internal Auditor; three

	Internal Auditors and two apprentice Internal Auditors. The Chairman noted that the Committee were aware that staffing had been one of the biggest challenges for the Audit service over the last 18 months and it was commended that the service now had a fully populated audit team. **RESOLVED: That the Audit Committee noted the IA Progress Report for 2023/24 Quarter 1.**
61.	**ANNUAL RISK MANAGEMENT REPORT 2022-23** Officers introduced the Annual Risk management report 2022-23. This was a statutory responsibility and the report outlined the key actions taken to promote and embed risk management during the financial year 2022-23. The role of risk management remained unchanged. There were lots of ongoing programmes of work such as the training and risk management e-learning module and risk champions in terms of governance structure. On corporate governance, it was noted that there was a new Leader of the Council in 2021 and a new Cabinet and so risk management included awareness of roles and responsibilities. The Council's constitution had also been remodelled and modernized to meet emerging risks and changing needs locally, and to encompass new national legislation. Internal Audit had adopted a new three-year Internal Audit strategy which was reflective of this new environment. Internal Audit continued to communicate findings of the risk-based approach of limited and nil assurance reviews to the Corporate Risk Management Group. The Corporate Risk Register was also part of the Forward Plan. It was noted that the Corporate Risk Register had been amalgamated with the Directorate Risk Registers with a new excel template to improve collaboration between directorates. This allowed improved tracking of risks. Recently, an independent review of risk management has been conducted and officers were working through the findings. Members asked why School Places was still listed as a C1 type risk. Offices clarified that this was the monitoring review of the corporate risks over the 2022/23 financial year and that the main detail would be within the corporate risk register. Officers further clarified that in terms of school places, Hillingdon had a strong track record of ensuring that every child had a school place and this continued to be the ambition. There was a rising level of demand for places particularly among the special educational needs and disabilities (SEND) group and this was where the risk came from. There was a smaller level of risk around secondary school places, and in primary schools there was a small drop in rolls. Members suggested more specifics on this risk to better tie in with the Council Strategy. The Chairman noted that the key findings on nil and limited assurance reviews were reported to the Corporate Risk Management Group, and asked whether risks identified by the Audit team and not being currently well managed were moved onto departmental risk registers. Officers clarified that it was usually a summary of the findings of the nil and limited assurance reviews that were presented to the Corporate

	Risk Management Group and these were up for discussion as to other risks, themes, isolated incidents, or underlying issues. Sometimes these could feed into an existing risk or could present a new risk. The Chairman also asked about the aspiration to develop risk maturity, and asked if there was an action plan in place for this. Officers noted that one of the main priorities was looking at risk management, and refreshing the way in which it was done. This included ensuring that down to an operational level with services, responsibility was taken within service areas, and that there was a clear process of escalating risk up to the Corporate Risk Register if they were significant risks, and how things from a corporate level go down to an operational level. This also included ensuring that actions were smart actions with timescales and responsible officers so that these could be tracked. Officers were also looking at risk management software which would allow more access and different ways of extracting data. This would enable information to be extracted on officers using the system and updating risks, and not just report on what the risks were. There was a project card in relation to risk management and this included updating the policy and training; raising awareness; and engaging with staff. In summary, officers confirmed that there was a very detailed action plan. Further to this, the Chairman asked if officers had explored how SharePoint could be used as a front end to the excel spreadsheets that were being developed. Officers noted that one of the reasons for the move to excel was to improve access, so that there was more data centralised on one excel document which was located on SharePoint. This meant it was possible to track who was logging into the spreadsheet and who had made changes, which was easier to do than on Microsoft Word. Officers were also looking at how to ensure easier access from the front end of SharePoint as well as links into the risk software or the risk registers. The Chairman noted the Finance Directorate Risk Register and that due to the cost-of-living crisis and other pressures, ‘increased levels of fraud’ was listed as a ‘B1’ or ‘high likelihood’ risk. The Chairman asked whether this was an issue rather than a risk due to an increased reality of fraud, not just risk. Officers noted that some of this was a function of current economic circumstances. Some responses had been made on an operational level so there was some flexibility within the structure of the fraud team. In other aspects, there had been more closely linking of the audit approach and the fraud approach, so a joint approach was being developed to risk management across the two teams. It was noted that new types of fraud were being discovered. There was some London-wide collaborative work. Officers noted that they would continue to look at the scoring of risk when the programme was next refreshed. **RESOLVED: That the Audit Committee noted the Risk Management Annual Report for 2022/23.**
62.	**INTERNAL AUDIT ANNUAL REPORT 2022-2023** Officers introduced the Internal Audit Annual Report 2022-23. The Internal Audit Annual Report summarised the work of Internal Audit undertaken during 2022-23. It also included the overall Head of Internal Audit opinion, which was

	that Internal Audit could provide *reasonable* assurance for the year despite significant vacancies and reliance on a third-party provider (Mazars). The team completed 39 pieces of work including 27 assurance reviews. 89% of those assurance reviews received substantial or moderate assurance which also led to the decrease in the number of management actions that were raised in the year. It was very positive having a lot of substantial and reasonable assurance reports and this was consistent with having a third-party provider due to the nature of their work. The work for the current year was more risk-based so it was expected to see more limited or no assurance reports or more consultancy reviews. The Chairman noted that they were pleased with the volume of work that had been completed during the year, particularly given the staffing challenges that had been faced. The role of the third-party provider was noted. It was also noted that the depth of work that the in-house team would be able to complete going forward may lead to discussions around levels of assurance and agreed actions with management. The Chairman congratulated the team on its success and for populating the team. The Chairman noted the survey of key stakeholders, noting that the results were slightly concerning, and asked how officers felt about this. The survey was undertaken as part of the External Quality Assessment and officers were not surprised that respondents felt that Internal Audit did not have the necessary resources – officers agreed with this. Only a small number of respondents indicated that they did not feel that Internal Audit was valued, and this was in part due to having an external provider, which may have impacted relationships with management and directors. Officers were confident in the figures improving, and there had already been good returns in client feedback questionnaires, and so officers were not concerned about this. The Chairman noted that the benefit of the in-house team was that this enabled better relationship-building. The Chairman also noted that it was good to have the new Head of Internal Audit to ensure some stability in the leadership role. **RESOLVED: That the Audit Committee noted the IA Annual Report for 2022/23.**
63.	**COUNTER FRAUD PROGRESS REPORT Q1 2023-24** Officers introduced the Counter Fraud Progress report for quarter 1 of 2023-24. The team had picked up from where it had left off in the previous year and had achieved another £1.8 in savings during quarter 1. The team had mainly focused its efforts on fraud risks within housing and had recovered 27 properties due to tenancy fraud, which was the highest figure achieved to date during one quarter. The risk of tenancy fraud would remain high for some time which was demonstrated by the team's current caseload of 127 live investigations. There had been unprecedented demand on housing due to homelessness which had led to an increase in the need for emergency accommodation and the team had been working closely with the Housing Service to check all emergency accommodations to ensure they were being used appropriately. The team had closed four cases so far worth £33,000 and this project was ongoing. In Social Care, officers had identified financial savings totalling £106,000 across a

	variety of service areas including financial assessments, section 17 and special guardianship orders (SGOs). Officers also took part in the first National Blue Bade Day of Action. 82 Councils attended and tackled misuse. 10 blue badges were seized due to misuse. Officers had prosecuted a resident for using a blue badge that had belonged to a deceased resident, and during the court case the offender received a fine, a victim surcharge and full costs to the Council of £2,900. It was noted that there had been an increased risk of fraud over the last 18 months, particularly due to COVID-19 and the cost-of-living crisis. This had had a vast impact on the service and its workload. Officers had reviewed the structure and resourcing of the service moving forward and a new structure had been agreed with the Corporate Management Team. This included posts of a Counter Fraud Manager, Counter Fraud Investigator and two apprentices. Recruitment was progressing well and officers expected to be fully staffed by the end of August 2023. The Chairman noted the £5m financial target, and that officers had already delivered £1.8m of this during quarter 1. This was evidence of the increasing levels of fraud. The Chairman also noted the 127 live cases of tenancy fraud and asked how many team members were dedicated to this area of Counter Fraud. Officers noted that officially there were four officers dedicated to this, but in reality, the service was deploying more resources into this area, and it was high on the agenda with the Corporate Management Team. On the new appointments to the team, officers clarified that a structure chart would be included within the agenda for the next Audit Committee meeting. The Chairman asked, on Social Care, whether the types of Social Care fraud were as expected. Officers noted that there was a yes and no answer to this. There had been positive engagement from the Social Care service which had been very beneficial, and so there were areas that officers had not expected to go into. There was lots of reference to special guardianship order payments in the report, which was unusual. Conversely, the financial assessments, direct payments and section 17 work were more expected areas and this was similar for other Local Authorities. It was noted that there were some regulatory issues of processing Social Care data for the purposes of fraud. The Cabinet Office were leading on this. The Chairman referred to the investigation into special guardianship orders. Officers noted that the criminal process was still live. This type of case was unusual and was one of two cases. Discussions with the Social Care service had led officers to believe that these were one-off cases and not evidence of a larger issue. The sensitive nature of these types of cases was noted. Members asked how officers were informed of new cases of housing fraud. Officers noted that a lot of reports came from members of the public, and more so in the aftermath of COVID-19. Reports also came from staff in the Housing service, both Housing Management and the Homelessness service. Members noted that the majority of the team’s efforts were currently on housing fraud, and asked how long this may continue before officers were better able to focus

	on other areas. Officers noted that their work was based on risk, and so focus was on wherever the highest risk was to the organisation. Currently this was housing fraud risk and so in terms of value for money and what was required for the organisation to function, it was best to keep the majority of efforts there. Officers were still working on other areas such as revenues and social care, and if the fraud risk of housing were to reduce, officers could re-prioritise. Members noted that types of fraud were constantly evolving, and asked officers how they kept up with emerging types of fraud, noting the National Fraud Initiative (NFI). Officers advised that when the risks within a service were understood, this allowed identification of where fraud could take place. The London Boroughs' Fraud Investigators' Group was highlighted, whereby representative from London Boroughs came together to share knowledge about emerging risks. **RESOLVED: That the Audit Committee:** **1. Noted the Counter Fraud Progress Report for 2023/24 Quarter 1; and** **2. Suggested any comments/ amendments.**
64.	**COUNTER FRAUD ANNUAL REPORT** Officers introduced the Counter Fraud Annual Report 2022/23. The report provided an overview of the previous financial year and gave a statistical view of the year in terms of its activity. The team had achieved £12.3m in savings across the year, mainly in housing, revenues and social care against a target of £3.5m. This included recovering 84 Council properties due to tenancy fraud and closing 24 emergency accommodation placements due to non-occupation saving £193,000. In Social Care, officers had identified savings of over £235,000 which was an 11% increase from the previous year and the majority of these savings were in section 17, direct payments and financial assessments. Revenue maximization work identified businesses that were undeclared for rates or that they should have an increase in rateable value which led to billings issued of nearly £6m from the Council and the Council retained 15% of that income. The presence of the Onsite Immigration Officer (OSIO) had contributed to £233,000 in savings, which was a 202% increase on the previous year. This was where the Immigration Officer had identified applicants that were not eligible for support due to their immigration status. Officers highlighted appendices D and F. Appendix D included benchmarking for the previous year and was going back two years because all annual reports for last year were currently being reported to the Committees. Appendix F gave a snapshot of some of the communications that officers had sent out over the last year to residents.

	Members asked where the savings were allocated to. Officers noted that a large portion of the savings were denoted as notional savings and was not cash returning to the Council. For example, in housing, this related to managing the current demand. Reducing tenancy fraud would free up Council housing which people from the waiting list could then be moved into. On Business Rates, while some big returns had been achieved, these were one-offs and the Council only received a small portion of this as the savings went back to the Government. These helped to balance the budget. Officers also noted that the relative performance to other Councils justified the slightly larger than average Counter Fraud team in Hillingdon. Members also asked if there were areas where the Council would see a physical return of money that could possibly justify an even larger team. Officers noted that they were constantly reviewing resource allocation within the team, for example whether officers should employ additional resources and whether there was a business case for this. One area to investigate further was Social Care where there may be some returns to the Council such as the special guardianship orders (SGO). The Chairman noted a good year's performance by the team. **RESOLVED: That the Audit Committee:** **1. Noted the Counter Fraud Annual Report for 2022/23; and** **2. Suggested any comments/ amendments.**
65.	**AUDIT COMMITTEE FORWARD PROGRAMME** Consideration was given to the work programme, and the dates and planned agenda items of future meetings were noted. **RESOLVED: That the Audit Committee:** **1. Confirmed the dates for the Audit Committee meetings; and** **2. Made suggestions for future agenda items, working practices and/ or reviews.**
66.	**SERVICE ACCOMMODATION ACTION PLAN** *This item was discussed as a Part II item without the press or public 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 of the Act).* **RESOLVED: That the Audit Committee noted the findings raised in the Internal Audit report.**
	The meeting, which commenced at 5:10 pm, closed at 6:30 pm.