

Minutes

Audit Committee

Thursday, 6 December 2012

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



HILLINGDON
LONDON

	<p>Independent Member: John Morley (Chairman)</p> <p>Members Present: Councillors George Cooper, Raymond Graham, Paul Harmsworth and Richard Lewis.</p> <p>Officers Present: Garry Coote (Corporate Fraud Investigations Manager) Nancy Le Roux (Head of Corporate Finance), Helen Taylor (Head of Audit and Fraud), Paul Whaymand (Director of Finance) and Khalid Ahmed (Democratic Services Manager).</p> <p>Others Present: Heather Bygrave (Deloitte)</p> <p>Apologies: Jonathan Gooding (Deloitte)</p> <p>The Chairman reported that Members had held a scheduled private meeting with the external auditors (Deloitte) prior to this meeting.</p>		
27.	<p>DECLARATIONS OF INTEREST</p> <p>Councillor George Cooper declared a Non-Pecuniary interest in Agenda Item 7 – Internal Audit Progress Report and Plan amendments as his wife was a Governor of one of the schools in the report. He remained in the room and took part in discussions on the item.</p>		
28.	<p>MINUTES OF THE MEETING HELD ON 20 SEPTEMBER 2012</p> <p>Agreed as an accurate record.</p> <p>[The Chairman reported that the final version of the Annual Audit letter had been circulated to the Members before submission to the Audit Commission.]</p>		
29.	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>It was agreed that all items of business would be considered in public.</p>		
30.	<table border="1"><tr><td><p>INTERNAL AUDIT CORPORATE FRAUD REPORT</p><p>Members were reminded that the first Corporate Fraud Plan was approved by the Audit Committee in June 2012 and it was reported that progress against that plan was mostly on track.</p></td><td><p>Action By:</p></td></tr></table>	<p>INTERNAL AUDIT CORPORATE FRAUD REPORT</p> <p>Members were reminded that the first Corporate Fraud Plan was approved by the Audit Committee in June 2012 and it was reported that progress against that plan was mostly on track.</p>	<p>Action By:</p>
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	<p>Particular reference was made to the activity of Social Housing Fraud where 28 properties had been taken back by the Council which had generated savings of £504,000. The Committee praised officers for their work in this area.</p> <p>Reference was made to the Protecting the Public Purse checklist which was a process which reviewed counter-fraud arrangements, and the high degree of compliance the Council had with this.</p> <p>Members expressed some concern regarding the comments on Procurement which referred to extensive work which was taking place to tighten controls in on construction work. The Director of Finance reported that Contract Standing Orders had been updated which tightened controls in this area.</p> <p>The Committee asked that an update on Procurement be given to the June meeting to give Members assurance that procurement controls were working.</p> <p>Reference was made to the Whistle-blowing policy which was to be updated by the Council's Monitoring Officer before the end of the financial year.</p> <p>The Committee noted the significant progress which had been made in relation to the introduction of proper safeguarding proportionate to risk, in the use of personal budgets for adult social care, in particular direct payments.</p> <p>RESOLVED -</p> <ol style="list-style-type: none"> 1. That the contents of the report be noted. 	<p>Action By:</p> <p>Garry Coote</p>
<p>31.</p>	<p>TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2013-14 TO 2015-16</p> <p>Members were informed that the Annual Treasury Management Strategy was agreed by Full Council as part of the budget setting process in February. However, a draft of the strategy was brought before this Committee to enable greater scrutiny.</p> <p>The Director of Finance informed Members that, when considering the Council's investment opportunities, consideration was given to advice from Arlingclose, the Council's Treasury advisors.</p> <p>Reference was made to paragraph 2.6 of the report which referred to the average rate of interest paid on Council lending, which was very low but was based on this Council's cautious strategy of only investing in highly rated UK banks. Reference</p>	

	<p>addressing the identified risks. An update on progress made would be submitted to the next meeting.</p> <ul style="list-style-type: none"> • Golf Courses Audit – Members expressed some concern regarding the number of high risk actions. The Director of Finance reported that the Golf Courses had been previously managed by a contractor and the Council had taken control less than a year ago. The Head of Audit reported that officers were currently working through the recommendations to the agreed timelines. The Committee asked that the appropriate Management representative be invited to the next meeting of the Committee to update Members on progress. • Creditors – The Committee was assured that the two high risk areas had now been addressed. • Hillingdon Grid for Learning – The Committee noted the progress which had been made on addressing the previous risk areas. • Emergency Duty Team – The Committee noted that this audit had now received full assurance level. <p>The Members questioned whether the increase in high risk actions identified in audits may indicate a possible reduction in internal control. The Head of Audit reported that the Council had undergone many structural changes which had impacted on some of the audit areas but Internal Audit were trying to ensure control was maintained in these areas.</p> <p>Discussion took place on Follow Up audits and the following points were made :</p> <ul style="list-style-type: none"> • Investigation 30 – the Head of Audit reported that no progress had been made • Carbon Reduction Commitment CRC – Members were informed that this was hoped to have been implemented by November. An update would be given to Members • IT Security & Data Handling in Schools– the Head of Audit had followed this up with the Chief Education Officer and would update Members. • Food Health & Safety 1st Follow Up – the Head of Audit reported that good progress was being made on outstanding recommendations • Fusion Contract Management 6th Follow up – The Committee was informed that the two outstanding high level recommendations were subject to legal discussions. • New Year’s Green Lane Weighbridge – Members were informed that 15 of the 20 outstanding recommendations had been implemented. 	<p>Helen Taylor</p> <p>Helen Taylor</p> <p>Helen Taylor</p> <p>Helen Taylor</p>
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	<ul style="list-style-type: none"> • Adoption – The Committee noted that there were still 4 outstanding recommendations • Children with Disabilities – Transition – concern was expressed at outstanding recommendations from this audit from 2010-11, particularly as this was a vulnerable group. The Head of Audit undertook to investigate this further and report back at the next meeting. • Asylum Accommodation – there are outstanding recommendations from 2009/10 audit. The Head of Audit undertook to investigate this further and report back at the next meeting. <p>RESOLVED -</p> <p>1. That the progress against the Internal Audit Plan for 2012/13 and the updated position of those audits undertaken in 2009-10, 2010-11 and 2011-12 be noted.</p>	<p>Helen Taylor</p> <p>Helen Taylor</p>
33.	WORK PROGRAMME 2012/13	
	Noted.	
34.	ANNUAL REVIEW OF INTERNAL AUDIT	
	The Committee agreed that the annual review in Internal Audit should take the form of a self assessment carried out by the Head of Audit.	
35.	CHANGING LEGISLATION AND CURRENT ISSUES	
	<p>Audit Commission Document – Protecting the Public Purse – Members noted the document which had been sent to them on 9 November 2012</p> <p>Corporate Services & Partnerships Policy Overview Committee review into the Effectiveness of the Audit Committee and its Terms of Reference – Members asked for a progress report on this for the next meeting.</p>	<p>Khalid Ahmed</p>
	<p>The meeting which commenced at 5.15pm, closed at: 7.00pm</p> <p>Next meeting: 12 March 2013 at 5.00pm</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.