

## Minutes

### AUDIT COMMITTEE

15 November 2022

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>Officers Present:</b> Andy Evans – Corporate Director of Finance, James Lake - Head of Pensions, Treasury, Investments &amp; Statutory Accounts, Michael Bradley – Interim 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>
23.	<p><b>APOLOGIES FOR ABSENCE</b> (<i>Agenda Item 1</i>)</p> <p>There were no apologies for absence.</p>
24.	<p><b>DECLARATIONS OF INTEREST</b> (<i>Agenda Item 2</i>)</p> <p>None.</p>
25.	<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>
26.	<p><b>MINUTES OF THE MEETING HELD ON 29 SEPTEMBER 2022</b> (<i>Agenda Item 4</i>)</p> <p><b>RESOLVED:</b> That the minutes of the meeting held on 29 September 2022 be approved as a correct record.</p>
27.	<p><b>EXTERNAL AUDIT UPDATE OF THE 2021/22 STATEMENT OF ACCOUNTS</b> (<i>Agenda Item 5</i>)</p> <p>Councillor Richard Lewis joined the meeting during this item.</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 there had been good progress since the last meeting and the audit</p>

of the Pension Funds Accounts was near to conclusion and close to being signed off by EY. The accounts in relation to the London Borough of Hillingdon was also progressing well with many outstanding queries being answered. On the national infrastructure matter, the Committee heard that a consultation paper had been issued on statutory override instruments and EY had commented on this. The paper was due to be laid before parliament and following this CIPFA would need to incorporate into the Code.

It was noted that there were challenges around the audit in terms of the valuation of plant, property and equipment (PPE). There were however resources in place to take this forward and progress had been made in this area. EY had commenced its value for money queries with the Council and this was also progressing forward.

**RESOLVED: That the Committee noted the progress of 2021/22 external annual audit.**

28. **INTERNAL AUDIT PROGRESS REPORT QUARTER 2 2022/22 (INCLUDING QUARTER 4 2022/23 IA PLAN) (Agenda Item 6)**

The Committee received the Internal Audit (IA) Progress Report for 2022/23 Quarter 2 and IA Plan for Quarter 4 which provided summary information on all IA work covered in relation to 2022/23, together with assurance levels in this respect.

The report outlined that five assurance reviews had been issued with another seven assurance reviews at draft report stage. There were no assurance reviews that had received no or limited assurance opinions and IA had assisted the Council in certifying three grant claims. Resourcing remained a challenge however a new Head of Internal Audit and Risk Assurance had been appointed and would start in January 2023. There was a recruitment campaign for other posts in the team including the Principal Internal Auditor role. There was also a contract in place with Mazars to undertake the work indicated in the Annual Audit Plan and cover the team vacancies.

In response to Member questions regarding the completion of audit work and staffing challenges, it was explained that the Audit Plan had been put together taking into consideration factors such as resource, budgets and work. Although there had been resource challenges, the contract with Mazars enabled work to be carried out by providing additional resource on a flexible basis. Further information would be provided on the level of completion of planned audit work once an assessment of the Internal Audit Plan versus work progress had been made.

The Committee was assured that Internal Audit was a statutory role and the audit roles that were vacant would be safeguarded. It was anticipated that once the Head of Internal Audit and Risk Assurance started in January 2023, this would bring stability to the team. An advantage of having a large Counter Fraud team meant that resources could also be used to support the Internal Audit team during the staffing challenges.

The Committee welcomed the Internal Audit Plan 2022/23 – Quarter 4 and were keen to see the outcomes of planned audit areas including Mental Health Pathway, Risk Management and Parking Income.

An update was requested on the External Quality Assessment of Audit team. It was noted that although the Absence Management draft report was issued in April 2022, there had been a delay due to improvement programmes being made within HR including reviewing the recommendations and incorporating recommendations into

	<p>systems and work going forward.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>1. That the Audit Committee noted the IA Progress Report for 2022/23 Quarter 2 and approval be given to the Quarter 4 Internal Audit Plan.</li> <li>2. That the Committee noted the coverage, performance and results of Business Assurance Internal Audit activity within this quarter.</li> </ol>
29.	<p><b>COUNTER FRAUD PROGRESS REPORT QUARTER 2 2022/23</b> (<i>Agenda Item 7</i>)</p> <p>The Committee considered the report detailing the work undertaken by the Counter Fraud Team (CFT) in relation to 2022/23 Quarter 2 (Q2) and assurances in this respect.</p> <p>It was reported that the CFT had achieved a loss prevention saving of £4.6m, making Q2 the most successful quarter recorded. This had resulted in financial savings of £6.9m to date, meaning that the team had already surpassed its £3.5m target.</p> <p>It was highlighted that the CFT had recovered 22 properties in Q2 and there had been a 57% increase in workload compared to pre-covid levels. There were currently 131 open investigations surrounding suspected cases of tenancy fraud including non-occupation, subletting, wrongful succession claims and abandonment of properties. Revenue maximisations work had continued in Q2 and the CFT's collaboration with external suppliers had led to billings issues to business in excess of £2.6m.</p> <p>Looking forward into Quarter 3 of 2022/23, the CFT would undertake a proactive project with housing emergency accommodation and the Cabinet Office NFI Bi-Annual exercise was due to be released in Quarter 4. The CFT was also reviewing the team's scope and capacity and a new case management system was due to go live.</p> <p>The Committee commended the CFT on their work and achievements of key performance indicators.</p> <p><b>RESOLVED: That the Audit Committee noted the Counter Fraud Progress Report for 2022/23 Quarter 2.</b></p>
30.	<p><b>AUDIT COMMITTEE FORWARD PROGRAMME</b> (<i>Agenda Item 8</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>
	<p>The meeting, which commenced at 5.10 pm, closed at 5.48 pm.</p>

These are the minutes of the above meeting. For more information on any of the resolutions please contact Anisha Teji on 01895 277655 or [ateji@hillingdon.gov.uk](mailto:ateji@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**

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**Channel to increase transparency in decision-making, however these minutes remain the official and definitive record of proceedings.**