



Audit committee

16:30 to 17:05

24 January 2017

Present: Councillors Price (chair), Wright (vice chair), Driver, Harris, Jones (B), Kendrick and Schmierer

Apologies: Councillor Stonard (other council business)

1. Public questions/petitions

There were no public questions or petitions received.

2. Declarations of interest

There were no declarations of interest.

3. Minutes

RESOLVED to agree the accuracy of the minutes of the meeting held on 22 November 2016.

4. Certification of claims and returns annual report 2015-16

The chief finance officer presented the covering report.

The external auditor presented the appended report and answered members' questions. He explained the audit process for the housing benefits subsidy claim and the reasons for the qualification set out in Section 1 of the report. No materiality was allowed and therefore any overpayment or underpayment was counted. He pointed out that a positive was that the number of errors had been fewer than previous years resulting in the lowest amount the council had to repay in recent years. The council was therefore travelling in the right direction and was no different to his other clients.

Discussion ensued in which members asked what measures were taken to drill down errors to see if there was a common cause and avoid similar errors reoccurring. Members also expressed concern that under payments should be avoided to ensure that the council's residents were not adversely affected. The chief finance officer said that the issues raised in the external auditors' report would be followed up with

the revenues and benefits service and internal audit. Quality assurance was in place. The external auditor said that there had been no specific areas where errors had occurred this year. In previous years some errors had been more significant and had been followed up with additional training for individual employees around those areas.

In reply to a question, the chief finance officer said that it was the first year that the council had not incurred additional fees. In previous years the external auditors had been required to conduct further work. The external auditor confirmed that the fee of £2,000 for the quality assurance on the capital pooling return was at the lower end of the approved range of fees.

RESOLVED to note the council's external auditor's Certification of Claims and Returns Annual Report 2015-16.

5. INTERNAL AUDIT 2016-17 – APRIL TO DECEMBER UPDATE

The principal audit manager, LGSS, presented the report. The counter-fraud policies had been approved by cabinet and were now being promoted around the council through emails, the council's intranet and posters.

In reply to a question from the chair about information risk, the principal audit manager explained that internal audit attended the corporate information group, which was made up of officers. The group reviewed information risks, such as software attacks and had controls in place to ensure the resilience of information security. This assurance was reflected in the Annual Governance Statement.

Discussion ensued in which members considered the control assurance given to benefits and council tax reduction. The chief finance officer explained the procedures for writing off debts. Debts were written off as a last resort. The chief finance officer was the only officer who could write off debts over £2,000. The corporate leadership team considered debts to be written off at least three times a year and reported to cabinet seeking debt recovery for larger debts, usually business rates. Members noted that in some cases it was either impossible or too costly to recover the debt. The principal audit manager confirmed that he was satisfied with the actions that the team leaders had undertaken.

In reply to a member's question about the National Fraud Initiative, the principal audit manager explained that the responsibility for housing benefit fraud had transferred to the Department of Works and Pensions. The council however could not be complacent and needed to be vigilant against fraud and have sound counter fraud measures in place, for instance there was potential for council tenant fraud around Right to Buy.

The chair referred to paragraph 3.4 and said that the committee had assurance that there were "no outstanding high level actions" arising from the internal audit reviews.

In reply to a question, the principal audit manager said that the internal audit team was on course to deliver the 470 days in the internal audit plan by the end of the financial year. Any changes would be reported to the committee.

RESOLVED to note the contents of the report.

CHAIR