

## **Audit Committee – 10 March 2015**

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Minutes of the meeting of the **Audit Committee** held on **10 March 2015** when there were present:-

Chairman: Cllr Mrs J A Mockford  
Vice-Chairman: Cllr Mrs L A Butcher

Cllr B T Hazlewood	Cllr Mrs M H Spencer
Cllr N J Hookway	Cllr D J Sperring
Cllr Mrs C M Mason	Cllr Mrs B J Wilkins
Cllr D Merrick	

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Mrs T J Capon

### **OFFICERS PRESENT**

Y Woodward	- Head of Finance
T Metcalf	- Audit & Performance Manager
J Kevany	- Principal Auditor
S Worthington	- Committee Administrator

### **ALSO PRESENT**

R Bint	- BDO
D Eagles	- BDO

### **58 MINUTES**

The Minutes of the meeting held on 9 December 2014 were approved as a correct record and signed by the Chairman.

### **59 EXTERNAL AUDITOR REPORT UPDATES FOR 2013/14**

The Committee considered the report of the Head of Finance drawing Members' attention to the recommendations arising from the Annual Governance Report 2013/14. It was noted that David Eagles had been appointed the Council's partner at BDO to take effect upon the imminent retirement of Richard Bint.

In response to a Member question relating to Marketplace accruals, detailed on page 7.3 of the officer's report, officers advised that this related to a duplicated accrual for a large order; the second part of the order contained a different description to the first part of the order, which led to some confusion but did not result in a duplication of payment.

### **Resolved**

That the monitoring sheet for the BDO recommendations arising from the Annual Governance Report 2013/14 be agreed. (HF)

### **60 EXTERNAL AUDIT REPORT: GRANTS CLAIM AND RETURNS CERTIFICATION 2013/14**

The Committee considered the report of the Head of Finance drawing Members' attention to the grants claim and returns certification of 2013/14 document from the Council's external auditor, BDO.

The external auditors emphasised that the rules relating to grant claim work were complex, which resulted in all councils making some errors in applying the rules; however, this Council's error rate was one of the lowest of the authorities audited by BDO.

Responding to Member questions the following points were noted:-

- The amounts involved in the errors identified during auditing were small.
- No complaints had been received from those who had been underpaid as a result of minor errors.
- The errors had not been identified by staff, given the sheer volume of transactions. Staff did quality check work, but errors did slip through due to the high number of transactions.
- The error in payment of housing benefit outlined in page 3 of the external auditors' report had not resulted in the claimant being under-paid; they had received the correct sum of money.

#### **Resolved**

That the grants claim and returns certification for 2013/14 be noted. (HF)

### **61 PROGRESS ON THE 2014/15 INTERNAL AUDIT PLAN**

The Committee considered the report of the Head of Finance providing details of progress against the 2014/15 internal audit plan.

It was emphasised that the invoice query outlined in paragraph 3.3 of the officer's report was an ongoing matter that would be reported back to the Audit Committee in the future.

#### **Resolved**

That the revised audit plan for 2014/15 be agreed. (HF)

### **62 SCHEDULE OF BUSINESS FOR THE AUDIT COMMITTEE**

The Committee considered the report of the Head of Finance summarising the Audit Committee's proposed schedule of business for 2015/16.

### Resolved

That the schedule of business for the Audit Committee 2015/16 be noted. (HF)

### EXCLUSION OF THE PRESS AND PUBLIC

#### Resolved

That the press and public be excluded from the meeting for the remaining item of business on the grounds that exempt information, as detailed in paragraph 3 of Part 1 of the Local Government Act 1972 would be disclosed.

### 63 INTERNAL AUDIT ANNUAL OPINION FOR 2014/15

The Committee considered the exempt report of the Head of Finance outlining the internal audit opinion on the systems of internal control for 2014/15. It was noted that, going forward, the change in the Council's management structure would result in a higher level of risk for the Authority, as the Council's procedures were reliant on a system of internal management controls, which were subject to change as a result of the re-design. It was not, for example, clear who would be undertaking the same internal audit opinion for 2015/16.

In response to a Member concern in respect of paragraph 4.7 of the report, officers advised that a request had been made to cover the upcoming maternity leave in Internal Audit. Members did emphasise their concern around the level of staffing in Internal Audit, which would result in there being only one full-time member of staff when the Auditor commenced maternity leave. It was further noted that a report would be considered at the next Audit Committee relating to the audit plan; this would provide an opportunity to assess if there was an adequate level of staffing to deliver the audit plan.

#### Resolved

- (1) That the internal audit opinion on the systems of internal control for 2014/15 be noted.
- (2) That the action plan in appendix 2, which addresses potential outstanding issues going forward, be agreed. (HF)

### 64 AUDIT REPORT

The Committee considered the exempt report of the Head of Finance drawing Members' attention to completed audit investigations and providing an update of audit recommendations.

In response to Member questions, the following points were noted:--

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- New tablets introduced in February should be able to address many issues relating to inspections of empty properties, detailed in page 13.5 of the report. There was not, however, a significant number of properties involved.
- The write-offs detailed at the bottom of page 13.5 of the report related to insolvent cases, with no opportunity to claim back the sums involved.
- Light touch audits looked at one specific aspect of an area of work and were an effective tool to focus on specific areas of higher risk.
- Specific areas of focus for light touch audits were sometimes identified by line managers as areas of concern.
- The audit detailed at the bottom of page 13.12 of the report was an area where more work was being carried out by the Revenues and Benefits Fraud Team.

### Resolved

- (1) That the conclusions and results from the audit engagements in appendix 2 be agreed.
- (2) That the updated information on the audit recommendations, outlined in appendix 3, be agreed. (HF)

Members extended thanks to Yvonne Woodward and Tracey Metcalf and to Richard Bint for all their hard work on audit at this their last meeting of the Audit Committee.

The meeting closed at 8.11 pm.

Chairman .....

Date .....

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