

## AUDIT AND GOVERNANCE COMMITTEE MINUTES - 21 APRIL 2015

**Present:** Councillors Stevens (Chairman), Debs Absolom, Lovelock, McElligott, Page, Stanford-Beale & Terry.

**Also in attendance:**

Alan Cross	Head of Finance
Paul Harrington	Chief Auditor
Ian Wardle	Managing Director

### 20. MINUTES

The Minutes of the meeting of 29 January 2015 were confirmed as a correct record and signed by the Chairman.

### 21. AUDIT & INVESTIGATIONS QUARTERLY PROGRESS REPORT

P Harrington, Chief Auditor, submitted a report providing the Committee with an update on key findings emanating from Internal Audit reports issued since the last quarterly progress report in January 2015.

The report set out a summary of the audit reports and an assurance finding for audits carried out of the following service areas:

- General Ledger (Journals)
- Creditors (Accounts Payable)
- Culture & Sport Income Generation
- School Places Capital Programme
- Charging Arrangements for Adult Social Care
- Home to School Transport
- Special Educational Needs & Disabilities (SEND)
- Troubled Families Programme

The report also provided details of forthcoming follow up audit reviews and the status of programmed audits, and set out progress on the response to audit reports and the implementation of agreed audit recommendations.

The report also provided details of work which the Council's Corporate Investigations Team and Internal Audit had undertaken since April 2014 in respect of benefit fraud, housing tenancy fraud and other corporate investigations. This included investigations into the remaining few benefit fraud cases still with the local authority, following the establishment of the national Single Fraud Investigation Service and the transfer of investigation work on Housing and Council Tax Benefit to the Department for Work and Pensions along with some Council staff from 1 December 2014.

The report had appended details of the progress made in implementing the actions which were reported in the 2013/14 Annual Governance Statement (AGS). There were 14 actions identified in the 2013/14 AGS, all of which had been implemented or were in the process of being implemented. There were six actions that remained appropriate and it was recommended that they should be carried forward to the 2014/15 AGS, which would be reported to the Audit & Governance Committee in July 2015.

**Resolved:** That the report be noted.

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### 22. INTERNAL AUDIT PLAN 2015-16

P Harrington, Chief Auditor, submitted a report on the Internal Audit Plan for 2015-16 which was attached at Appendix 1.

The report stated that the Plan was designed to implement the Internal Audit Strategy. In preparing the Plan, the adequacy and outcomes of the Council's risk management, performance management and other assurance processes had been taken into account. Where the outputs from these processes were not judged to be sufficiently reliable, the Plan had been informed using an Internal Audit risk assessment.

It was Internal Audit's responsibility to form opinions about the risks and controls identified by management and to give a formal opinion on the control environment annually. In the context of the Public Sector Internal Audit Standards, 'opinion' did not simply mean 'view', 'comment' or 'observation'; it meant that internal audit would have done sufficient, evidenced work to form a supportable conclusion about the Council's activities that it had examined.

In accordance with the Accounts and Audit regulations (2015) and the Public Sector Internal Audit Standards, the Audit and Governance Committee was required to approve, and monitor progress against, the Internal Audit Strategy and Plan.

**Resolved:** That the Internal Audit Plan for 2015-16 be approved.

### 23. STRATEGIC RISK REGISTER

P Harrington, Chief Auditor, submitted a report updating the Committee on the Q4 status of the Council's 2014/15 Strategic Risk Register, in line with the requirements of the Council's Risk Management Strategy. The Register was attached to the report at Appendix 1.

The report stated that the Corporate Management Team (CMT) maintained the Register on behalf of the Council, with the assistance of the Chief Auditor. The Register was reviewed on a quarterly basis by officers and formally refreshed six-monthly by CMT. The Register was presented to the Audit & Governance Committee approximately every six months, or more frequently if circumstances required an update. It had last been presented to the Committee at its meeting on 29 January 2015 (Minute 18 refers).

The register set out mitigating actions taken to address the risks identified, which were monitored on a monthly basis. The Committee noted that the residual risk for "5b: Failure to maintain the fabric of the structure, communal areas and services related to council's housing stock resulting in injury to individuals and/ or noncompliance with Legislation" and "21a: Increasing number of people becoming homeless and placing additional pressure on the Council to provide temporary accommodation" had increased and a new risk had been added "21b: Increasing numbers of households placed by the Local Authority in B&B (exceeding the six week guideline maximum) increases risk of accident/ incident occurring, including due to health and safety hazards."

**Resolved:** That the Q4 status of the Council's 2014/15 Strategic Risk Register be noted.

(The meeting started at 6.30pm and closed at 6.56pm).