

Public Document Pack

BABERGH AND MID SUFFOLK DISTRICT COUNCILS

Minutes of the meeting of the **JOINT AUDIT AND STANDARDS COMMITTEE** held in the King Edmund Chamber - Endeavour House, 8 Russell Road, Ipswich on Monday, 12 March 2018

PRESENT:

Councillor: Suzie Morley (Chair)
Dave Muller (Vice-Chair)

Councillors: Clive Arthey
John Levantis
Lesley Mayes
Kevin Welsby
Michael Burke
John Matthissen
Mike Norris
Stephen Williams

In attendance:

Suresh Patel, Ernst and Young LLP
Rodique Thomas, Ernst and Young LLP

Assistant Director Law and Governance and Monitoring Officer (EY)
Corporate Manager - Democratic Services (JR)
Corporate Manager - Financial Services (ME)
Corporate Manager - Internal Audit (JS)
Internal Audit and Risk Management Officer (CC)
Internal Audit and Risk Management Officer (PJ)
Governance Support Officer (HH)
Governance Support Officer (BN)

39 SUBSTITUTES AND APOLOGIES

Apologies were received from Councillors Tony Bavington, Frank Lawrenson and William Shropshire.

The following Councillors were unable to be present: Councillors Sue Burgoyne, Tom Burrows and Mark Newman.

40 DECLARATION OF INTERESTS

There were no declarations of interests.

41 JAC/17/17 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 15 JANUARY 2018

It was **RESOLVED:-**

That the minutes of the meeting held on the 15 January 2018 be confirmed as a true record.

42 PETITIONS

None received.

43 QUESTIONS BY THE PUBLIC

None received.

44 QUESTIONS BY COUNCILLORS

Councillor Matthissen enquired whether there was a view to change start times of the meetings.

The Chair responded that this would be a discussion outside of the meeting.

45 EXTERNAL AUDIT REPORTS

a JAC/17/18 CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2016/17

45.1 Suresh Patel, the External Auditor from Ernst and Young LLP presented report JAC/17/18 summarising the scope of work undertaken and very minor errors identified in respect of housing benefits subsidy claim. He drew Councillors' attention to year ahead "2018/19" where the Councils would be responsible for appointing their own reporting accountant to undertake the certification of the housing benefit subsidy claim. He indicated that Ernst and Young LLP would be pleased to continue to undertake this work and would provide a competitive quotation. Clarification was given that the Housing Benefit Assurance Process (HBAP) guidance was yet to be formally formulated by the DWP.

It was RESOLVED:-

That the report be noted.

b JAC/17/19 JOINT AUDIT PLAN 2017/18

45.2 Suresh Patel, the External Auditor from Ernst and Young LLP presented report JAC/17/19. The key message being in that identified major risks remain the same. There was a new risk, the Assessment of the Group Boundary, which necessitated the preparation of group accounts and a decision was awaited on this. Regarding Value for Money no specific risks had been identified for either Councils and it was considered that the Councils had satisfactory arrangements in place. With regard to earlier accounts deadline, good arrangements were in place, working with the Finance Officers to mitigate risks. He responded to Councillors' questions on matters including:-

- Pooled business rates going through Public Sector Leaders Group
Clarification was given that pooled business rates form part of the collection fund and does not form part of the group structure.

- CIFCO group accounts - how does it get reflected in accounts if they are not included in the group accounts?
Clarification was given that once a decision had been made on whether to include in the group accounts this would be challenged and risks considered. If not material and no risk, there would be same sort of disclosure which would be audited. A Panel is looking at the risks of the two holding companies and details being monitored in the Risk Register. A request was received for a Group Account Technical Note to be brought to the next meeting for information.

It was RESOLVED:-

That the Joint Audit Plan 2017/18, Report JAC/17/19, be noted.

46 JAC/17/20 INTERNAL AUDIT PLAN 2018/19

46.1 The Internal Audit and Risk Management Officer, introduced Report JAC/17/20 detailing the proposed Internal Plan for 2018/19 and responded to Councillors' questions on various related matters including:

- Asset Register – Have we got an Asset Register?
An assurance was given that there is a fully reconciled Asset Register.
- Movement of assets – Audit trail of the movement of assets from Corks Lane to Endeavour House
The asset register that was held for accounting purposes has a de minimis level and therefore does not include items of office equipment.
- Staffing
Staff changes were not expressly commented on in the report.
- Housing Delivery Audit “Annual Monitoring Report”
The officer confirmed it was the process and controls around it that were looked into.
- Deputy Monitoring Officers
Clarification was given that primary function of the two Deputy Monitoring Officers was to investigate the complaints raised.
- Shared Revenues Partnership
Ipswich Borough Council was the host, and they would test the processes and primarily conduct the audit. The Department of Work and Pension (DWP) prepare the Housing Benefit detail. The Council receive a draft report for comment.
- The Disabled Facilities Grant was currently being underspent
Officers were aware of the underspend and were currently working on ways to rectify this.

- Waste Management
Methods of improving and streamlining the current process were being investigated.

It was RESOLVED:-

That the Internal Audit Report 2018/19, as detailed in Appendix A to Report JAC/17/20 be approved.

47 JAC/17/21 - MANAGING THE RISK OF FRAUD AND CORRUPTION - ANNUAL REPORT 2017/18

47.1 The Corporate Manager – Internal Audit, introduced Report JAC/17/21, which explained the current arrangements in place for both Councils to ensure there was a pro-active corporate approach to preventing fraud and corruption and creating a culture, in which this would not be tolerated. It also provided details of proactive work undertaken by Internal Audit to deter, prevent and detect fraud and corruption.

47.2 It was noted that positive feedback had been received from officers who had attended the Tenancy Fraud training.

47.3 The Corporate Manager responded to Councillors' questions including:

- Was there any success stories of benefit fraud prosecutions in the last 12 months?
Problems were being experienced in getting feedback from the DWP.
- Paragraph 10.38 to Report JAC/17/21 – Where had the fraud occurred?
A request to amend a supplier's bank account details had been received. Investigations and verification to this request found it to be an invalid request. Confirmation was given to Councillors that no monies had left the Council's account to the fraudulent account.
- Unlawful sub-letting of Council properties in our area
It was noted that there had been one investigation, and whilst sub-letting was generally a bigger issue in the London Borough and surrounding areas, officers continue to be diligent with regard to Tenancy Fraud.

It was RESOLVED:-

That the progress made in ensuring there are effective arrangements and measures in place across both Councils to minimise the risk of fraud and corruption be endorsed.

48 POSITION STATEMENT - RISK MANAGEMENT

48.1 The Internal Audit and Risk Management Officer, provided Councillors with an verbal update on the position statement.

“One new amalgamated risk register has now been created which captures significant, operational and project risks all in one place, with different tabs for each theme within an Excel document. The register is located on the Audit and Risk Management page of Connect and can be accessed by all staff and Members at any point in time.

The significant risk process has been strengthened by including the addition of Cabinet Lead Members for each risk on the register to ensure dialogue between risk owners and Members with the aim of further embedding the risk process and ensuring ownership by keeping appropriate Members up to date with relevant risks which in turn, should ensure that there are no surprises when we report at Committee and also equips them to field any questions from other Members. There is also now the ability to make any links between operational risks and project risks along with links to performance indicators; the relevant risks will also be reflected in performance reporting.

Previously operational risks have only been captured on a sporadic basis and where registers have existed, they have not been in a consistent format or located in one central location. New operational registers have now been created and each service area sits under their appropriate Strategic theme. These registers also include the cross reference to performance indicators and projects where relevant. A ‘last updated’ field has been included to give a clear indication of how current the risks are. The risk officer will prompt service managers to update their operational registers in line with the quarterly update of the significant register so that any areas for concern on the operational registers, can be highlighted for consideration onto the significant register which is reported on quarterly to SLT, half yearly to Cabinets and annually to JASC. Operational risks will feature as an agenda item at SLT quarterly risk update sessions to ensure oversight.

A short presentation was given at Corporate Managers Network in January by Claire Crascall (risk management) and Jeanette Stockings (performance), detailing what was required of them to complete their operational register and equipping them with the tools to do so. Guidance notes have been created and are also available on Connect. Claire is periodically checking to confirm which service areas still need to complete their registers as this is still in the early stages and has offered smaller sessions to assist the completion of these where officers have requested.”

48.2 Members noted the position.

49 JAC/17/22 CODE OF CONDUCT COMPLAINTS MONITORING REPORT

49.1 The Assistant Director – Law and Governance and Monitoring Officer, introduced Report JAC/17/22 which detailed the Code of Conduct complaints received or determined since the last time such complaints were reported to Committee.

49.2 Members were advised that the number of complaints had increased compared to the previous report, however there were three parishes which had received multiple complaints around the same issue. An enquiry was made as to whether some Councillor training could be offered if an allegation is made against them.

It was RESOLVED:-

That the content of the report be noted.

50 JAC/17/23 FORWARD PLAN

50.1 It was requested that future Forward Plans were to include the whole calendar year.

It was RESOLVED:-

That the Forward Plan be noted.

The business of the meeting was concluded at 11.18 a.m.

.....

Chairman