

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

Date of Meeting: 5th December 2017

**PRESENT: Councillor Aldred (Chair)
Councillors Bromley, Essex, Haworth (sub for Councillor Steen), Lythgoe and Smith**

**IN ATTENDANCE: Mr P Seddon, Head of Finance and Property
Mr M Baskerville, Audit Manager, Lancashire County Council
Mr I Pinches, Audit Manager, Grant Thornton Auditors
Miss G Ashton, Committee & Member Services Officer**

ALSO PRESENT: 1 member of the public

1. CHAIR'S INTRODUCTION

1.1 The Chair welcomed everyone to the meeting and outlined the housekeeping arrangements.

2. APOLOGIES FOR ABSENCE

2.1 Apologies were received from Councillor Steen, Mrs R Lowry, Lancashire County Council, Mrs K Murray, Grant Thornton Auditors and Mr M Ali (co-opted member).

3. MINUTES OF THE MEETING HELD ON 26TH SEPTEMBER 2017

RESOLVED:

The minutes of the meeting held on 26th September 2017 were agreed as a correct record.

4. URGENT ITEMS OF BUSINESS

4.1 The Chair confirmed that there were no urgent items of business.

5. DECLARATIONS OF INTEREST

5.1 There were no declarations of interest.

6. PUBLIC QUESTION TIME

6.1 The Chair invited the member of the public to ask questions at this point in the meeting.

6.2 Referring to the National Fraud Initiative in Appendix A of the Internal Audit

Progress report, Mrs Freeman asked why the DWP had decided not to recover the monies owing to them.

The Audit Manager, Lancashire County Council understood it was not considered cost effective to recover the monies.

- 6.3 Mrs Freeman asked what criteria the Internal Auditors used to give substantial assurance and why it could be given if some actions had not been completed.

The Audit Manager, Lancashire County Council advised that there were four categories which covered a wide area. Substantial assurance was given when the auditors were broadly happy with the way controls were operating. Actions not followed up would be taken forward with Managers. The seriousness of the outstanding actions was also considered.

7. CHAIR'S UPDATE

- 7.1 An update was given on actions from the last meeting.

- 7.2 The Chair asked the Head of Finance and Property to provide the up-to-date position regarding the HCA.

The Head of Finance and Property advised that a report was submitted to the HCA on 7th November which covered four areas. HCA had responded to the Council regarding rent eligibility and the action was now closed. The other areas included grant draw down prior to start on site date, legal titles for home owners and practical completion certificates. It was noted that access could not be gained to 23 homes. The HCA had asked for a progress report on the practical completion certificates by 15th December.

- 7.3 Members raised the following issues/questions:-

- What attempts had been made to gain access to the 23 properties.
- Were the properties local.
- What were the cost implications.

- 7.4 The Head of Finance and Property provided clarification on the issues/questions raised.

8. INTERNAL AUDIT PROGRESS REPORT

- 8.1 The Audit Manager, Lancashire County Council outlined the report which asked members to note the Internal Audit Progress Report for the period to the end of October 2017.

- 8.2 He advised that the Internal Auditors at Lancashire County Council had been subject to an independent, objective validation by the Chartered Institute of

Internal Auditors which had gone well. Members could take assurances that they were generally conforming.

8.3 Substantial assurance had been given in relation to the Licensing of taxis and alcohol sales and the follow up audit of disabled facilities grants. The audit of payroll and treasury management would take place before the end of the year and works had been planned for quarter 4.

8.4 The emerging audit plan for 2018/19 would be presented at the next meeting.

8.5 Members raised the following issues/questions:-

- Which standards had not been met and could a list be provided.
- Were copies of the reports sent to the Portfolio Holder and Chair of Overview and Scrutiny.
- Had Licensing issues been highlighted to the Licensing Committee.
- Could assurances be given that Housing Benefit Officers were not dealing with claims from relatives.
- Managers should ensure Declarations of Interest were submitted.
- Were the auditors happy with the way Declarations of Interest were regulated.
- Were the auditors happy with the system for registering new properties.
- Why the DWP were not recovering outstanding monies and what could be done about it.
- Thanks expressed to the Internal Auditors for the completed report.
- What were the potential risks of Officers not completing their Declaration of Interest.
- DBS checks should be given priority due to safety issues and the effect on the Council's reputation.

A recommendation was moved and seconded that reports detailing Licensing actions/issues should be sent to the Chair of that committee.

8.6 The Audit Manager, Lancashire County Council and Head of Finance and Property provided clarification on the issues/questions raised.

RESOLVED:

- That the Internal Audit Progress Report was noted.
- That reports detailing Licensing actions/issues be sent to the Chair of the Licensing Committee.

9. EXTERNAL AUDIT PROGRESS REPORT

9.1 The Audit Manager, Grant Thornton introduced himself to Committee members. He outlined the report which asked members to note the External Audit Progress Report.

9.2 Members raised the following issues/questions:-

- Had a reporting accountant been appointed to audit the housing benefits subsidy for 2018/19.
- Had the International Consortium on Governmental Financial Management (ICGFM) survey been completed.
- Should members or the Local Authority complete the questionnaire.
- In relation to the Manifesto for a Vibrant Economy, was the Government open to Local Authorities bringing schemes forward and could a paper be provided.
- How did Rossendale rate in the Manifesto.

9.3 The Audit Manager, Grant Thornton and Head of Finance and Property provided clarification on the issues/questions raised. In relation to the Manifesto for a Vibrant Economy, the Audit Manager agreed to bring the Rossendale data to the next meeting and provide the web links for circulation.

9.4 The Head of Finance and Property advised that Mazars would replace Grant Thornton as the Council's External Auditors. However the procurement process did not include the provision for the audit of the housing benefits subsidy.

RESOLVED:

That the External Audit Progress Report was noted.

10. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

11. STANDARDS COMPLAINTS UPDATE (VERBAL)

11.1 An update was given in relation to Standards.

RESOLVED:

That the update was noted.

12. WHISTLEBLOWING UPDATE (VERBAL)

12.1 An update was given in relation to Whistleblowing.

RESOLVED:

That the update was noted.

The meeting commenced at 6.30pm and finished at 7.15pm

Signed (Chair)

Date