

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Audit and Corporate Governance Committee held on
Friday, 18 March 2016 at 9.00 a.m.

PRESENT: Councillor Tony Orgee – Chairman

Councillors:	Tom Bygott Andrew Fraser Bridget Smith	Christopher Cross David McCraith John Williams
Officers:	Patrick Adams Alex Colyer Caroline Ryba	Senior Democratic Services Officer Executive Director, Corporate Services Head of Finance
External:	Rachel Brittain Steve Crabtree Tony Poynton	Ernst & Young Shared Head of Internal Audit Ernst & Young

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Douglas de Lacey.

2. DECLARATIONS OF INTEREST

None.

3. ELECTION OF CHAIRMAN

Councillor Andrew Fraser proposed and Councillor Tom Bygott seconded Councillor Tony Orgee as Chairman of the Committee. There being no further nominations Councillor Tony Orgee was duly elected as Chairman.

4. APPOINTMENT OF VICE CHAIRMAN

It was agreed that it was unnecessary to appoint a Vice Chairman for the rest of the municipal year.

5. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 25 September 2015 were agreed as a correct record.

6. NAME OF COMMITTEE

The Committee agreed that:

- The governance work of the Committee should be recognised in its title.
- Including the word “audit” in the title would clarify its purpose to the public.

Chairman explained that Councillor Douglas de Lacey had stated that he saw no reason to change the Committee’s name. Notwithstanding this, the Committee recommended to Council that its name be amended to the: Audit and Corporate Governance Committee.

7. INTERNAL AUDIT PLAN 2016/17

Steve Crabtree introduced the Internal Audit Plan for 2016/17, which included the associated documents that have been established in accordance with best practice as laid down in the Public Sector Internal Audit Standards. It was noted that the Audit Plan provided a programme of review work to enable an informed audit opinion and to develop the organisation's Annual Governance Statement.

Planning

In response to questioning Steve Crabtree explained that the audit of planning would focus on the systems in place and would evaluate the suitability of the current performance indicators.

Ermine Street Housing

The Executive Director agreed that the audit of Ermine Street Housing was very important and he would liaise with Steve Crabtree to discuss how the wording of the scope of the audit could be amended to reflect this.

Provision of internal audit

The Executive Director explained that having a shared service for three councils for internal audit was a top priority.

The Executive Director explained that the number of internal audit hours were fixed as the Council employed a single Senior Internal Auditor and a fifth of the time of the Shared Head of Internal Audit.

The Committee **NOTED** the Audit Plan.

8. INTERNAL AUDIT PROGRESS REPORT

Steve Crabtree presented the Internal Audit Plan 2015/16 Progress Report, which informed the Committee on the progress made against the delivery of the 2015/16 Internal Audit Plan.

Trade Waste – accounts receivable: Steve Crabtree was pleased to report that problems relating to billing had been resolved in time for the yearly closing down of the accounts.

National Fraud Initiative: It was noted that work was ongoing and a report was expected at the next Committee meeting in June.

Project Management: It was noted that a limited assurance had been given because of a lack of consistency being applied with regard to compliance with existing policies and processes.

Human Resources: It was noted that whilst there was a clear policy and documented processes, a limited assurance had been given because of weakness in the level of compliance with these policies.

Allocation / Voids: It was noted that this review was split into three areas: Housing Voids, Choice Base Letting System and Housing Services Tenancy Fraud, which focused on the authority's housing and did not cover social housing.

The Committee **NOTED** this report.

9. EXTERNAL AUDIT PLAN 2015/16

The whole Committee noted with sadness the untimely death of external auditor Rob Murray. They paid tribute to him for his work for the Council and expressed condolences to his family, friends and colleagues.

Tony Poynton presented this report on the Audit Plan detailing the approach and scope for the 2015/16 audit.

The Committee **NOTED** the External Audit Plan 2015/16.

10. EXTERNAL AUDIT: CERTIFICATE OF CLAIMS AND RETURNS ANNUAL REPORT 2014/15

Rachel Brittain presented this report, which outlined the results of the external audit's 2014/15 certification work.

Housing benefits subsidy

It was noted that there were no systematic errors. Out of claims worth a total of £27,538,799 an amendment of £2,329 was made. The Executive Director explained that managers in Benefits monitored all anomalies and then amended the training pack accordingly and ensured that all supervisors were aware.

The Committee **NOTED** the certification of claims and returns annual report for 2014/15.

11. MATTERS OF TOPICAL INTEREST**Appointment of external auditors**

It was noted that the Council would be required to appoint new external auditors following the completion of the 2017/18 audit. The Council would need to decide whether to appoint its own external auditors or to jointly appoint with a number of other authorities. It was noted that Ernst & Young had been appointed as external auditors for the entire eastern region.

12. DATE OF NEXT MEETING

The Committee agreed to meet half an hour later than originally scheduled and to hold its next meetings on:

- 24 June 2016 at 9:30am
- 23 September 2016 at 9:30am

The Meeting ended at 10.00 a.m.
