

Audit Committee

Minutes of a Meeting of the Audit Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **4th December 2012**

Present:

Cllr. Clokie (Chairman);

Cllrs. Apps, Marriott, Michael, Smith, Wright, Yeo.

In accordance with Procedure Rule 1.2 (iii) Councillor Apps attended as Substitute Member for Councillor Taylor.

Apologies:

Cllrs. Link, Taylor.

Also Present:

Deputy Chief Executive, Head of Internal Audit Partnership, Audit Partnership Manager, Senior Member Services & Scrutiny Support Officer.

Andy Mack, Debbie Moorhouse – Grant Thornton.

220 Minutes

The Chairman asked about the request at the last meeting that more information be included within Risk 9 – Infrastructure of the Risk Register Report, particularly around the implications of using Community Infrastructure Levy (CIL). The Head of Internal Audit Partnership explained that a more detailed return had been completed and submitted as part of the report to the Cabinet. He confirmed that he would circulate the action plan separately to Committee Members. There would also be a further update report on risk management as a whole to the next meeting of this Committee in March.

In terms of the Principles of Good Partnership Governance report, there was still an outstanding point on the transparency of Locality Board meetings. The Chairman asked about public access to meetings, agendas and minutes and the Deputy Chief Executive advised that he had asked for this to be raised at a Locality Board meeting in the New Year and he would come back to this Committee with a response after that.

Resolved:

That the Minutes of the Meeting of this Committee held on the 27th September 2012 be approved and confirmed as a correct record.

221 Annual Audit Letter 2011/12

The first of the two reports from the Council's external auditor was the annual letter to the Council covering their findings and opinions from the 2011/12 audit. Detailed findings were not repeated as they had been previously reported to the Committee but the letter restated the unqualified opinion on last year's accounts and the conclusion on efficiency and effectiveness. No matters were highlighted for further attention.

Resolved:

That the Annual Audit Letter 2011/12 be received and noted.

222 Planned Audit Fee 2012/13

The second of the reports from the Council's external auditor set out the auditor's proposed fee for the next audit. This was the first report since the change from the Audit Commission to Grant Thornton and was a formal statement of the position previously reported, confirming a fee reduction of 40%, which was now reflected in the Council's draft budget. Andy Mack said he wanted to assure the Committee that although the audit fee had reduced, the quality of the audit work would be maintained and hopefully improved. They would continue to work closely and productively with Officers and Members and they also now had access to other specialisms via Grant Thornton if those were needed. In terms of the things the Council could do to maintain its lower audit fee, as usual the expectations from the auditors were around things like producing a good quality set of accounts, good quality working papers, a good set of grant claims, an agreed schedule of releasing information and regular dialogue on emerging issues. The Council had established itself now as an Authority that had those good governance arrangements in place so there were no concerns on that front from Grant Thornton.

Resolved:

That the Planned Audit Fee Letter 2012/13 be received and noted.

223 Internal Audit – Interim Report

The Audit Partnership Manager introduced the report which provided details of the work of the Internal Audit team between April and September 2012. The Committee was asked to agree that the work showed evidence of an adequate and effective audit service.

A Member, who was also Chairman of the Council's Member Training Panel, said he wanted to highlight one of the findings of the Trusts and Partnerships audit. In his view the recommendation that basic governance training should be provided to Members who took on the role of a Trustee on behalf of the Council was very important and this was something he would like to take up via the Panel.

The Chairman opened the item up to questions/comments and the following responses were given: -

- At present the Council had not received the money for the two most recent claims for Greenov funding. The funding had been agreed but there had been a delay in the EU releasing the funds.
- The National Fraud Initiative (NFI) audit was biennial and that is why there were figures for 2010/11 and 2012/13.
- Auditing of the new waste contract would take place at a later date once the contract was up and running across the three Authorities. There had been stringent examination of the contract award and procurement process, but there should be some lee-way in allowing the contract to bed in and start operating. It would be scheduled in for future audit plans.
- In terms of the reviews of ICT Access Controls and Data Protection, these had initially received audit assurance levels of Limited but the assurance at the time of both follow up reports had been Substantial. Action plans had been drawn up on these and remedial action taken. Further details of the Council's access controls and data protection arrangements had been given in the presentation by the Head of Business Change & Technology before the last Audit Committee meeting.

Resolved:

That the Committee agrees that the audit process is working effectively and that management is taking the necessary action to implement agreed audit recommendations.

224 Internal Audit Partnership – Progress Report

The Head of Internal Audit Partnership introduced the report which explained that the Partnership had been in place since April 2010 and a review had been carried out in order to identify progress to date against the original business objectives and the opportunities for further improvement and development. After two and a half years of operation it was important to reflect on the partnership. It had achieved all of the objectives set out in the original business case as well as making more specific achievements as a shared service. He also wanted to clarify that the comment in paragraph 12 of the report about Counter Fraud did not imply that any decision had been made on the future home for counter fraud activity. Traditionally, for many Local Authorities, Internal Audit had been a logical location for this, but Ashford had a number of options once the Government's welfare reforms took effect. The Deputy Chief Executive re-iterated this point and briefly outlined the options the Council had as he saw them. It was also explained that it was increasingly important for District Councils to have a strong system to identify Council Tax fraud, especially with the new system coming on board in April 2013. The Council needed to keep a close eye on the level of claimants for single persons discount and had already taken the decision to write to all current claimants to see if their claims were still valid. Extra

resources would be needed and it was pleasing to note that the County Council recognised their responsibilities to support the Districts in their fraud work, and particularly with this aspect, as it was in their own interests because they received such a high percentage of the Council Tax collected.

In response to a question from the Chairman, the Head of Internal Audit Partnership explained that the Partnership currently operated as four teams under four different employers and he was currently investigating whether working under one employer would be a more efficient and cost effective way forward. There would be questions of accommodation etc but this was how most partnerships worked and it was something that required further examination.

Resolved:

That the progress made by the Internal Audit Partnership and the actions that are proposed to further improve and develop the service be noted.

225 Report Tracker and Future Meetings

One amendment was made to the schedule of future meetings in that Grant Thornton would submit a progress report only on their plan of work ahead of the 2012/13 Audit to the next meeting in March, as the final plan would not be complete at that time. Arrangements would be made for Committee Members to see the final plan of work at some point between the March and June 2013 meetings.

The Chairman asked Committee Members to make a note of the dates of meetings for the next year and to make sure they were in diaries.

Resolved:

That the report be received and noted.
