

Minutes of a Meeting of the Audit and Standards Committee held at Council Chamber, Surrey Heath House, Knoll Road, Camberley, GU15 3HD on 30 March 2017

- Cllr Rebecca Jennings-Evans (Chairman)
+ Cllr Conrad Sturt (Vice Chairman in the Chair)

+ Cllr Dan Adams	- Cllr Paul Ilnicki
+ Cllr Rodney Bates	Cllr Jonathan Lytle
+ Cllr Edward Hawkins	+ Cllr Bruce Mansell

+ Present
- Apologies for absence presented

Substitutes: Cllr Dan Adams for Cllr Paul Ilnicki

In Attendance: Karen Limmer, Head of Legal
Kelvin Menon, Executive Head of Finance
Alex Middleton, Senior Auditor

11AS Minutes of Previous Meeting

RESOLVED that the minutes of the Audit and Standard Committee meeting held on 19 September 2016 be approved as a correct record and signed by the Chairman.

12AS Declarations of Interest

There were no declarations of interest.

13AS Financial Statements Audit Plan 2016-17

The Committee received a report setting out the KPMG's, the Council's external auditor, plans for their audit of the Council's 2016/17 financial records.

In setting out their approach to the audit of the accounts, KPMG had identified the following areas that would be subject to specific scrutiny:

- Changes to pension liabilities following the triennial revaluation of the Local Government Pension Scheme
- Valuation of land and buildings
- Group accounts and the acquisition of the Jersey Unit Trust
- The new format of core financial statements
- The capacity and structure of the finance team
- The financial resilience of the Council

The Committee was informed that a significant amount of work had taken place to supplement the resourcing of the finance team. A Chief Accountant had been appointed and would take up their post in June. A second Trainee Accountant had been taken on and would be following the same qualification path as that of the Trainee already in post who was now studying for their stage two accountancy qualifications. A Systems Accountant had also been taken on and a further 2 part time accountants had been taken

on to look after the Council's Property Interests and the Joint Waste Contract. The possibility of using interim staff to fill vacant posts until newly appointed permanent staff were ready to take up their posts was also being explored.

It was acknowledged that predicting the income generated by the theatre was a challenging task. The Committee was informed that actual income had been increasing year on year and the new theatre management team were working to develop the theatre's offer in order to generate higher levels of income.

The Committee noted the report and commended the approach being taken to develop and train young people within the Council.

14AS Certification of Benefits Claims

The Committee received a report setting out the findings of an audit of the Council's Housing Benefits Claims and Returns for 2015/16 completed by KPMG in November 2016.

In 2015/16, the Council had claimed a total of £16,281,299 in respect of Housing Benefits from the Government. The audit, which had been conducted in accordance with the requirements set out by the Government, had concluded that the claim and returns were fairly stated and in accordance with the relevant terms and conditions.

It was noted that during 2015/16 the Council had made overpayments of £27,681 as a result of local authority errors and administration delays.

The Committee noted the report.

15AS Independent Persons Protocol

The Committee received a report providing an update on the adoption of an Independent Persons Protocol.

The Committee was informed that the Localism Act 2011 required all local authorities to adopt a code of conduct for their elected members and to appoint at least one independent person to assist the council in dealing with complaints that the code of conduct may have been breached.

The Designated Independent Person had to fulfil three main purposes:

- to be consulted by the Authority before it made findings as to whether a Member had failed to comply with the Code of Conduct or decided on action to be taken in respect of that Member
- they could be consulted by the Authority in respect of a standards complaint at any other stage; and
- they could be consulted by a Member, or co-opted member of the Council, against whom a complaint has been made

To ensure that they had access to a pool of suitably trained and skilled independent persons the Council had entered into a consortium arrangement with six other local authorities. The Consortium had appointed six people to act as Independent Persons and the Protocol had been adopted to ensure that their use was well managed and that appropriate support and training was available to help them with any work they undertook as part of their role.

The Protocol was a working document and would be reviewed and updated as necessary.

The Committee noted the report.

16AS Internal Audit 3 Year Strategy 2017-2020

The Committee received a report setting out the proposed Internal Audit Three Year Strategic Plan 2017-20.

The Plan had been developed in line with the best practice principles set out by the Public Sector Internal Audit Standards. The areas to be audited had been identified through a combination of factors including the Council's Corporate Risk Register, projected levels of income and expenditure, the control environment, growth areas and identified public sector risks. The Plan would be used to form the basis of the Internal Audit function's work programme for the next three years.

In developing the plan, officers had tried to spread the work across a range of areas to ensure that audit work did not become overly burdensome to individual sections. Where a system was subject to annual audits then efforts were made to look at different parts of the system each year.

It was considered that the proposed five year gap between Development Control (Planning) audits was too large. It was suggested that the proposed 2018/19 audit be brought forward and the audit of another regulatory area planned for 2017/18 be put back to 2018/19. It was agreed that the audit timetable for Regulatory Services would be revisited.

RESOLVED that the Internal Audit Three Year Strategic Plan 2017-20, attached as Annex A of the report, be approved.

17AS Internal Audit Annual Plan 2017/18

The Committee received a report setting out the proposed work plan for the Council's Internal Audit Function for 2017/18.

The work plan had been based on the Internal Audit Three Year Strategic Plan and consisted of a combination of audit activities that were carried out on an annual basis, activities that were conducted on a triannual basis and one off audit projects.

It was expected that the activities proposed in the Annual Plan would require 430 working days to be delivered by the Council's two internal auditors. Additional resources would be brought in to supplement the internal Audit Team when required.

The Committee noted the proposed audit areas for 2017/18 and requested that consideration be given to auditing the Council's Investment Portfolio during the year.

RESOLVED that the Annual Audit Plan for 2017/18, as set out in Annex A of the report, be approved.

Chairman