

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber on Tuesday 20th November at 1400 hours.

PRESENT:-

Members:-

Councillor K. Reid in the Chair

Councillors T. Munro and A.M. Syrett.

Officers:- D. Clarke (Joint Head of Finance & Resources), J. Williams (Internal Audit Consortium Manager) and A. Bluff (Governance Officer).

Also in attendance at the meeting was R. Jaffray, Cooptee Member.

0467. APOLOGIES

Apologies for absence were received on behalf of Councillors D. McGregor, B. Watson and D.S. Watson.

0468. URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

0469. DECLARATIONS OF INTEREST

There were no declarations of interest made.

0470. MINUTES – 25TH SEPTEMBER 2018

Moved by Councillor T. Munro and seconded by Councillor A.M. Syrett

RESOLVED that the Minutes of an Audit Committee held on 25th September 2018 be approved as a correct record.

0471. REPORTS OF THE INTERNAL AUDIT CONSORTIUM

(A) SUMMARY OF PROGRESS ON THE 2018/19 INTERNAL AUDIT PLAN

Committee considered a report which provided information on progress made by the Audit Consortium in relation to the 2018/19 Internal Audit Plan.

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Attached to the report was a summary of Internal Audit Reports issued from 13th September 2018 to 8th November 2018 which included the assurance provided for each report.

Four reports had been issued;

Right to Buy Sales	To ensure that there is a process in place that meets legislative requirements	Reasonable
Section 106 Agreements	To ensure that all monies are collected and spent in a timely manner	Substantial
Pest Control	To review the processes in place	Reasonable
National Non Domestic Rates	To ensure that bills are raised in a timely and accurate manner and that there are adequate debt collection procedures in place	Substantial

The report confirmed that no fraud issues had been identified in respect of the above areas reviewed.

The following audits were currently in progress;

- The Tangent
- Freedom Of Information / Environmental Regulations
- Clowne Leisure Centre
- Expenses and Allowances
- Payroll

Members welcomed the substantial assurance provided in relation to Section 106 Agreements.

Moved by Councillor T. Munro and seconded by Councillor A.M. Syrett
RESOLVED that the report be noted.

(B) IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

Committee considered a report which provided summary information regarding internal audit recommendations made for the financial years 2016/17 to 2018/19.

The report informed Committee of progress made in respect of implementing the recommendations in order that action could be taken if progress was deemed unsatisfactory. The implementation of internal audit recommendations was also monitored quarterly at Directorate meetings and it was proposed that the report was brought to Audit Committee on a 6 monthly basis.

The report advised that 4 recommendations were outstanding from 2017/18 and four also from 2018/19. Details of these were included in the appendix attached to the report.

The Joint Head of Finance & Resources advised the meeting that a delay in progressing the implementation of the outstanding recommendations was due to officers waiting for the new management structure to be put in place. Managers were looking at new risk

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regulations in their areas and so the report was timely. Outstanding recommendations would need to be addressed before the end of the current financial year.

Moved by Councillor A.M. Syrett and seconded by Councillor T. Munro
RESOLVED that the report be noted.

(C) CIPFA FRAUD AND CORRUPTION TRACKER SURVEY 2018

Committee considered a report which provided information on the results of CIPFA's Fraud and Corruption Tracker (CFaCT) survey undertaken in 2018. The report also detailed the controls and procedures that the Council had in place to mitigate the risk of fraud at the Council.

The CIPFA Counter Fraud Centre was launched in July 2014 to fill the gap in the UK fraud arena following the closure of the National Fraud Authority and the Audit Commission. The fourth CFaCT survey was carried out in 2018 with the aim of providing a national picture of fraud, bribery and corruption in local government. The key findings of the 2018 CIPFA Fraud and Corruption Tracker were detailed in the report for Members information.

The Council took the risk of fraud very seriously and had a range of measures in place to reduce the risk of fraud occurring;

- There was an established approach of a zero tolerance policy towards fraud which was set out in the Council's Anti-Fraud and Bribery and Corruption Policy (including Money Laundering Policy) that was last approved by Audit Committee in October 2015,
- There was an allowance for special investigations in the Internal Audit Plan,
- The Internal Audit Plan covered the whole of the organisation,
- The National Fraud Initiative was participated in and the results were subject to an internal audit report,
- Potential Council Tax Support frauds were investigated by council tax staff (Benefit fraud was now dealt with by the DWP),
- Data matching processes with the DWP and HMRC,
- The Council had a Confidential Reporting Code (Whistleblowing Policy),
- The Council had a fraud risk register,
- Recruitment procedures ensured that checks were undertaken to prevent the Council employing people working under false identities etc,
- Council tax had a rolling program of discount exemption checks,
- The IT systems were Public Sector Network (PSN) compliant,
- In September 2016 a self- assessment was undertaken against the "Local Government Counter Fraud and Corruption Strategy 2016 – 19" checklist. The results of which were previously reported to Audit Committee.

In response to a Member's question regarding senior managers, the Internal Audit Consortium Manager advised the meeting that audit looked at the separation of duties which were in place.

Moved by Councillor T. Munro and seconded by Councillor A.M. Syrett

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RESOLVED that the results of CIPFA's Fraud and Corruption Tracker Survey and the fraud prevention measures that the Council had in place, be noted.

0472. REPORTS OF THE JOINT HEAD OF FINANCE AND RESOURCES

(A) STRATEGIC RISK REGISTER AND PARTNERSHIP ARRANGEMENTS

Committee considered a report in relation to the Council's Strategic Risk Register as at 30th September 2018.

The report ensured that Committee were kept informed concerning the Council's latest position regarding Risk Management and Partnership working and were able to exercise effective influence on the Council's Risk Management arrangements. The report would also be considered by Executive at its meeting on 3rd December 2018.

There were no new risks added to the Strategic Risk Register but risk number 9 relating to HS2 has been amended to reflect the publication of the Working Draft Environmental Statement.

In response to a Member's question regarding air quality risk, the Joint Head of Finance & Resources advised the meeting that this could be added in the next quarter if necessary.

A Member queried if there should be reference to training for Members in relation to Safeguarding children and vulnerable adults as the report did not reflect this. The Joint Head of Finance & Resources replied that this had been included in the Member Development sessions schedule organised by Governance.

Moved by Councillor K. Reid and seconded by Councillor T. Munro

RESOLVED that the report be noted.

(B) ROLE AND EFFECTIVENESS OF THE AUDIT COMMITTEE

Moved by Councillor K. Reid and seconded by Councillor T. Munro

RESOLVED that the Role and Effectiveness of the Audit Committee report be deferred to the next meeting of Audit Committee.

(Joint Head of Finance & Resources/Governance Manager)

The meeting concluded at 1420 hours.