

Minutes

Audit & Governance Committee

Venue:	Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Wednesday, 24 October 2018
Time:	5.00 pm
Present:	Councillor K Arthur (Chair), Councillor I Reynolds (Vice-Chair) (from minute item 24), Councillor J Chilvers, Councillor B Marshall, Councillor M McCartney and Councillor B Sage (from minute item 22)
Officers present:	Karen Iveson (Chief Finance Officer (s151), Danielle Stanley (Trainee Solicitor), Nicola Hallas (Manager, Mazars LLP), Mark Kirkham (Partner, Mazars LLP), Phil Jeffrey (Audit Manager, Veritau), Jonathan Dodsworth (Counter Fraud Manager, Veritau) and Dawn Drury (Democratic Services Officer)
Others present:	Councillor C Lunn (Lead Executive Member for Finance and Resources) and Jo Nylan (Senior Solicitor)
Public:	0
Press:	0

16 APOLOGIES FOR ABSENCE

The Democratic Services Officer informed the Committee that apologies for absence had been received from Councillor J Cattnach.

17 DISCLOSURES OF INTEREST

There were no disclosures of interest.

18 MINUTES

The Committee considered the minutes of the Audit and Governance

Committee meeting held on 25 July 2018.

RESOLVED:

To approve the minutes of the Audit and Governance Committee meeting held on 25 July 2018.

19 CHAIR'S ADDRESS TO THE AUDIT AND GOVERNANCE COMMITTEE

The Chair welcomed Nicola Hallas to the Audit and Governance Committee, who had replaced Gavin Barker as the external auditor from Mazars.

The Chair reported that the government had announced it was to strengthen rules preventing people found guilty of serious crimes or misbehaviour from serving on local councils. The Committee were informed that the current rules made it clear that anyone convicted of an offence carrying a prison sentence of more than three months was banned from serving as a local councillor, however the new measures would see the disqualification rules changed to include those who were subject to an Anti-Social Behaviour Injunction, a Criminal Behaviour Order, a Sexual Risk Order or who were on the Sex Offenders' Register.

The Chair explained that the changes followed a consultation in 2017 which Selby District Council responded to, to confirm that the Council broadly welcomed the proposals however, suggested that certain fraud offences should also be included and that the rules for disqualifying people from standing as MP's should be brought into line with the rules for council candidates. It was noted that the changes would occur when there was sufficient parliamentary time available as revisions to three separate Acts of Parliament were required.

In relation to a consultation on local government ethical standards by the Committee for Standards in Public Life which had been considered by the Audit Committee earlier in the year, the Chair informed the meeting that the council's response was amongst 317 that the Committee had received. It was explained that the consultation responses were now being analysed and the report was due in December 2018. Members were informed that the Committee would make recommendations on the contents of Codes of Conduct and the availability of effective sanctions. It was noted that the final report of the Committee would be brought to the Audit and Governance Committee in January 2019 for discussion.

20 AUDIT ACTION LOG

The Committee reviewed the Audit Action Log.

The Democratic Services Officer provided an update on the remaining action, which was noted by the Committee.

RESOLVED:

To note the Audit Action Log.

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21 AUDIT AND GOVERNANCE WORK PROGRAMME

The Committee considered the current Audit and Governance Work Programme.

The Democratic Services Officer asked the Committee to consider the rescheduling of the Committee meeting due to take place on 24 April 2019, due to the Easter break and close proximity to the Elections; it was proposed that the date be brought forward to Wednesday 10 April 2019. The Committee approved the amendment.

RESOLVED:

- i. To note the Work Programme.**
- ii. To reschedule the Audit and Governance meeting due to take place on 24 April 2019 to Wednesday 10 April 2019.**

22 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW LETTER 2017-18 (A/18/9)

The Committee received the report, presented by the Trainee Solicitor who explained that the Local Government and Social Care Ombudsman was the final stage for complaints made against Local Authorities. It was confirmed that the Council had received 23 complaints in the year 2017/18 with 9 referred back to the Council for a local resolution; of the remaining 14 only 5 cases had been progressed to a detailed investigation by the Ombudsman, of which none were upheld.

The Chair questioned the purpose of Appendix A in the report as it contained no information relating to Selby District Council. It was explained that the appendix provided a national picture and was there for completeness. The Chair requested that for future years it be highlighted that the appendix was purely for information.

RESOLVED:

To note the Local Government and Social Care Ombudsman Annual Review Letter.

23 INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORT (A/18/10)

The Audit Manager, Veritau presented the report and drew the Committee's attention to the fact that in order to comply with the Public Sector Internal Audit Standards (PSIAS), internal auditors working in local government were required to maintain a quality assurance and improvement programme (QAIP) with an external assessment of their working practices undertaken at least once every five years. It was highlighted that the last external assessment of Veritau was carried out in

April 2014 by the South West Audit Partnership (SWAP); therefore a further assessment was to be undertaken by SWAP in November 2018.

The Committee were informed that the assessment would include a review of documentary evidence and face to face interviews with a number of senior officers; the assessors may also wish to speak with the Chair of the Audit Committee. It was confirmed that the results of the assessment would be included in a future internal audit progress report to the Committee.

The Audit Manager, Veritau pointed out that seven 2018/19 audits were in progress and highlighted to the Committee the progress in agreed actions, the finalised report on the audit of creditors and the current status and key options for the audits reported previously.

The Counter Fraud Manager, Veritau presented the section of the report related to the counter fraud work being undertaken in 2018/19. The Committee was informed that 36% of completed fraud investigations had resulted in a successful outcome, actual savings of £4,900 had been achieved as a result and 54 fraud referrals had been received.

In relation to data matching, the Committee received an update on the 2018/19 National Fraud Initiative (NFI), a regular data matching exercise run by the Cabinet Office. It was explained that data was currently being gathered and processed and the results were expected to be released in February 2019. Results had recently been released around the NFI pilot project that the Council had participated in; there were over 4,400 matches to be reviewed.

The Committee asked a number of questions of officers, and noted the contents of the report.

RESOLVED:

- i. To note the report.**
- ii. To note the arrangements for external assessment of internal audit.**

24 EXTERNAL ANNUAL AUDIT LETTER (A/18/12)

The Partner, Mazars LLP requested that agenda item 10, External Annual Audit Letter 2018 be considered prior to agenda item 9, External Audit Progress Report for continuity, the Chair was in agreement.

The Partner, Mazars LLP presented the report and highlighted that the External Annual Audit Letter was a formal report on the outcome of the external audit, and that the positive findings had been presented to the Committee at the previous meeting in July 2018.

The Committee's attention was drawn to page 191 of the report which

confirmed that the forward look at the financial outlook was good and that the Council had continued to make good progress in addressing the financial challenges from public sector austerity.

In response to a query relating to why property was valued with plant and equipment. The Partner, Mazars LLP stated that it was in accordance with government practice.

RESOLVED:

To note the report.

25 EXTERNAL AUDIT PROGRESS REPORT (A/18/11)

The Committee considered the report presented by the Manager, Mazars LLP which provided the Committee with a progress report in relation to the work and responsibilities of the external auditors. It was explained that the report set out a summary of the planning work to be undertaken in relation to the 2018/19 external audit.

The scale of the Social Care problem was queried by the Committee, the Partner, Mazars LLP pointed out that this was a North Yorkshire County Council issue however, adult social care had been identified as a key area of pressure with projected funding gaps in the future. The Chief Finance Officer highlighted that when government resets the system of local government finance from 2020/2021, district council funding would be watched with interest as the effects could be felt by Selby District Council, and confirmed that although the Council had reasonable reserves some of those monies were committed to specific items and therefore this risk would require careful management.

RESOLVED:

To note the report.

The meeting closed at 5.29 pm.