

Minutes

Audit & Governance Committee

Venue:	Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Wednesday, 10 April 2019
Time:	5.00 pm
Present:	Councillors K Arthur (Chair), J Chilvers and S Duckett
Officers present:	Karen Iveson (Chief Finance Officer), Mark Kirkham (Partner, Mazars LLP), Phil Jeffrey (Audit Manager, Veritau), Jonathan Dodsworth (Counter Fraud Manager, Veritau), Daniel Club (Senior Fraud Investigator, Veritau) Bernice Elgot (Interim Solicitor to the Council and Monitoring Officer) (for minute item 47); and Dawn Drury (Democratic Services Manager)
Others present:	Councillor C Lunn (Lead Executive Member for Finance and Resources)
Public:	0
Press:	0

41 APOLOGIES FOR ABSENCE

The Democratic Services Officer informed the Committee that apologies for absence had been received from Councillors Sage, Reynolds, McCartney, Cattnach and Marshall. Councillor Duckett attended as Councillor Marshall's substitute.

42 DISCLOSURES OF INTEREST

There were no disclosures of interest.

43 MINUTES

The Committee considered the minutes of the Audit and Governance Committee meeting held on 30 January 2019.

RESOLVED:

To approve the minutes of the Audit and Governance Committee meeting held on 30 January 2019.

44 CHAIR'S ADDRESS TO THE AUDIT AND GOVERNANCE COMMITTEE

The Chair thanked all councillors who had served on the Audit and Governance Committee during 2018/19 for their support and continued hard work, and wished Councillors Marshall and Reynolds well as they were not standing in the upcoming election. He further thanked all officers for their contribution.

The Chair indicated that he would be amending the order of business to allow agenda item number 13, Report of the Committee on Standards in Public Life and Update to Selby District Council's Code of Conduct to be considered first as agenda item number 7; the rest of the business would follow as set out in the agenda.

45 AUDIT ACTION LOG

The Committee reviewed the Audit Action Log.

The Democratic Services Officer confirmed that the remaining action would be addressed later in the meeting, at agenda item number 9, internal audit progress report, which was noted by the Committee.

RESOLVED:

To note the Audit Action Log.

46 AUDIT AND GOVERNANCE WORK PROGRAMME 2018/19

The Committee considered the current Audit and Governance Work Programme.

RESOLVED:

To note the Work Programme.

47 REPORT OF THE COMMITTEE ON STANDARDS IN PUBLIC LIFE AND UPDATE TO SELBY DISTRICT COUNCIL'S CODE OF CONDUCT (A/18/27)

The Interim Solicitor to the Council and Monitoring Officer presented the report, which informed the Committee of the outcome of the 20th report of the Committee on Standards in Public Life, and asked members to approve the suggested amendments to the Council's Code of Conduct for Members; as detailed at appendix 1 of the report.

The Committee heard that the Committee on Standards in Public Life had recently reported and made recommendations for future changes to the legislation, by way of amendments to the Localism Act 2011. The

members were advised that until the legislation was changed, there were also recommendations for future best practice within local authorities, which could be implemented immediately to ensure that the Council continued to promote and maintain high standards of member conduct.

In response to a query regarding conduct within Parish Councils, it was confirmed that the intention was that Parish Councils would be asked to accept their District Council's Code of Conduct, however this would require a change in the legislation.

Concern was raised regarding the recommendation for removal of the criminal offences relating to disclosable pecuniary interests (DPIs). It was confirmed that if an offence was committed and reported to the Police, depending on the severity of the offence, it would be punishable by the Police under another criminal offence.

The Chair praised the structure of the report as he stated it was brief and simple to understand, which made it easier for Councillors to understand the requirements expected of them; and adhere to.

RESOLVED:

- i. **To note the contents of the report.**
- ii. **To approve the suggested amendments to the Council's Code of Conduct for Members, and the arrangements for dealing with standards allegations, as set out in the in the second part of the table in Appendix 1 of the report.**

48 EXTERNAL AUDIT STRATEGY MEMORANDUM (A/18/21)

The Partner, Mazars LLP presented the report, which outlined the external audit plan for the Council for the year ending 31 March 2019.

The Partner, Mazars LLP explained that there was a number of significant risks in carrying out the audit work, the report highlighted three new risks which had been deemed to be significant: management override of control, property, plant and equipment valuation; and defined benefit liability valuation, however it was confirmed that these risks were not unusual.

The Committee was informed that for the 2018/19 financial year, no significant audit risks had been identified to the value for money conclusion work.

The importance of the materiality threshold was explained to the Committee, as that threshold set the range, depth and extent of some of the external audit testing. The Committee was informed that based on the audited accounts for 2017/18 it was anticipated that the overall materiality for the year ending 31 March 2019 would be in the region of

£1,111K.

RESOLVED:

To note the report.

49 EXTERNAL AUDIT PROGRESS REPORT (A/18/22)

The Partner, Mazars LLP presented the report which provided the Committee with a summary of the external audit work completed to date, and highlighted that the planning work in relation to the 2018/19 external audit was completed.

The Committee noted that the external audit work was on track for the year, with no significant issues arising.

RESOLVED:

To note the report.

50 INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION GOVERNANCE PROGRESS REPORT 2018/19 (A/18/23)

The Audit Manager, Veritau presented the report, which updated the Committee on progress made in delivering the internal audit work plan for 2018/19.

The Committee was updated that since the Internal Audit Progress report had been written, the audit on the Economic Development Framework, and Payroll was now at draft stage.

The Committee was informed that this was the first time that an Information Governance progress report had been brought to the Audit and Governance Committee, and that this was resultant of Veritau being appointed by the Council to be its statutory Data Protection Officer (DPO).

The Counter Fraud Manager, Veritau presented the section of the report related to the Council's counter fraud activity 2018/19, which highlighted that savings of £14.7k had been achieved through fraud investigation. The Committee was informed that since the report had been written, end of year figures for 2018/19 confirmed that actual savings of £22k had been achieved through fraud investigation.

In relation to data matching, the Committee received an update on the 2018/19 National Fraud Initiative (NFI) Business Rates pilot, the exercise had been a success at Selby District Council, with identified savings of £6k for the Council to date.

The Committee was informed that as part of the annual council tax and business rates billing, a message was included, to raise awareness; and encourage residents to report any suspicions of fraud to the fraud hotline.

In response to a query regarding the Programme for Growth – Selby 950

audit, it was confirmed that no opinion was given by the internal audit team, as this was not a regular piece of work.

The Committee noted that in relation to the Development Management audit which had a due date of 30 April 2018, a discussion had taken place between the internal audit team and development management, it had been concluded that the resource was not available to carry out a manual process on Anite; and alternative options were being considered to mitigate possible risks.

RESOLVED:

To note the report.

51 INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION GOVERNANCE PLANS 2019/20 (A/18/24)

The Audit Manager, Veritau presented the report, which contained the proposed Internal Audit, Counter Fraud and Information Governance plans for 2019/20.

It was highlighted that the internal audit plan 2019/20 was based on a total commitment of 355 days, this was a reduction of 20 days from the year 2018/19, in order to fund additional priority counter fraud work.

The Committee noted that a total of 60 days had been agreed for the information governance plan 2019/20 work, with the allocation split across the three elements of the service: data protection officer role, information governance strategy and support; and the provision of advice and training.

The Counter Fraud Manager, Veritau confirmed that a total of 125 days of counter fraud work had been agreed for 2019/20.

RESOLVED:

i. To approve the Internal Audit Plan 2019/20.

ii. To note the Counter Fraud and Information Governance Plans 2019/20.

52 ANNUAL REPORT 2018/19 (A/18/25)

The Committee received the report from the Chair, which asked them to approve the annual report for 2018/19; and to delegate authority to the Democratic Services Officer, in consultation with the Chair, to update the final version of the annual report 2018/19 following the inclusion of details from the current meeting.

The Chair highlighted an error in the first paragraph, 'Councillor John Cattanaach was appointed to the Committee to replace Councillor Karl Arthur; should read 'to replace Councillor Mike Jordan'. An error with formatting was also identified; the Chair asked that both these issues be

corrected.

RESOLVED:

- i. **To approve the Annual Report of the Audit and Governance Committee for 2018/19, submitted by the Chair of the Committee; subject to the amendments above.**
- ii. **To delegate authority to the Democratic Services Officer, in consultation with the Chair of the Committee, to update the final version of the Annual Report 2018/19, following the inclusion of details from the meeting on 10 April 2019.**

53 WORK PROGRAMME 2019/20 (A/18/26)

The Committee considered and agreed the Audit and Governance Committee work programme for 2019/20. It was explained that more items could be added to the work programme during the course of the year if the Committee felt it necessary.

RESOLVED:

To approve the Audit and Governance Work Programme for 2019/20.

The meeting closed at 5.32 pm.