

Minutes

Meeting name	Audit and Standards Committee
Date	Monday, 14 December 2020
Start time	6.30 pm
Venue	This meeting will be held by remote access - details below

Present:

Chair Councillor J. Douglas (Chair)

Councillors J. Wilkinson (Vice-Chair) P. Chandler
R. Child C. Fisher
M. Glancy A. Hewson
R. Smith

Officers Director for Corporate Services
Assistant Director for Governance & Democratic Services
Head of Internal Audit
Democratic Services Manager
Democratic Services Officer (CR)

Minute No.	Minute
56	<p>Apologies for Absence There were no apologies for absence. Councillor Bains was not present at the meeting.</p>
57	<p>Minutes The minutes of the meeting held on 29 September 2020 were confirmed and authorised to be signed by the Chair.</p>
58	<p>Declarations of Interest There were no declarations of interest.</p>
59	<p>Internal Audit Update The Head of Internal Audit, Rachel Ashley-Caunt introduced the report, the purpose of which was to update Members on the progress made in delivering the 2020/21 Internal Audit Plan and key findings arising from audit assignments completed.</p> <p>Ms. Ashley-Caunt advised that since the last meeting of this Committee, the audit report on rent arrears had been completed (as detailed at section 2.5 of appendix A). Internal Audit had issued a satisfactory assurance over the control environment and a good assurance over compliance with those controls. There were some arrears due to be recovered but the processes in place and the policies followed provided a reasonable level of assurance those were operating in practice.</p> <p>Ms. Ashley Caunt highlighted that progress made on the Internal Audit Plan was detailed at Appendix 1. This set out all assurance assignments and consultancy reviews to be undertaken and the status of these. Work had progressed and an additional audit report had been completed. Further details would be reported to the next meeting of this Committee (on 27 January).</p> <p>Ms. Ashley-Caunt updated Members on the implementation of recommendations arising from audit (as detailed at appendix 3). 3 recommendations had been closed since the last meeting of this Committee but there were a number of actions, which remained overdue (24 over the last 3 months). 7 of these were high risk and were detailed at appendix 4). Concerning the audit on 'Effectiveness of Case Management Arrangements 2019 – 20, a full service review would be undertaken, as part of the Housing Revenue Account business plan review. It was suggested that actions relating to this audit be consolidated into 1 recommendation (which would be reported as a high risk and overdue until completed) and a further audit review (to be included on the 2021–22 Audit Plan) be undertaken to give full assurance that all expectations in relation to all the consolidated actions were complete. Concerning the audit on 'Right to Buy 2018–19', a report would be submitted to Cabinet on 20 January 2021) supporting the implementation of policy and procedure by 31 March 2021. Due to the second Covid-19 lockdown, there was no further progress on asbestos surveys, (which related to the audit on</p>

Landlord Health and Safety 2019–20) but an Asbestos Management Plan was being developed, providing assurance that this was embedding in normal practice.

During discussion the following points were noted:

- Despite the difficult year, as a result of Covid-19, the Council had progressed many of the recommended actions.
- Members were concerned about the level of outstanding rent arrears (£660k). Senior Management had a focus on this and processes were in place to reduce the level.
- The percentage of gross debt had decreased over the last 3 years (it was over 8% in 2017-18, rising slightly in 2018-19 and reducing to below 8% in 2019-20).
- An assessment was made (at year end) of how much was set aside as bad debt provision, based on likelihood of recovery.
- The Director for Housing and Communities would update Members on the steps taken to recover rent arrears and on the anticipated amount to be recovered (out of the £660k) outside this meeting.
- Internal Audit had recommended enforcing the implementation of performance monitoring for rent arrears by Senior Leadership Team.
- Due to conflicting priorities, (including enhanced monitoring, submitting Covid-19 returns to Government and implementation of the new finance system) the audit on 'Budgetary Control' may not be deliverable in Quarter 4 and would be prioritised for the next financial year.
- All other audits not yet started and those currently at the planning stage were progressing in line with the Audit Plan.
- Undertaking asbestos surveys was a Council priority but progress had been disrupted by Covid-19. All properties would be surveyed and this would inform the Asbestos Management Plan.
- The audit on 'Effectiveness of Case Management Arrangements' was in progress, as part of a full service review. All related actions would be consolidated in to 1 main action.
- All audit reports were available to Members upon request.

Audit and Standards Committee **NOTED** the report and progress made by the Internal Audit team in the delivery of the Audit Plan.

60

Bi-annual Counter Fraud Update

The Head of Internal Audit, Rachel Ashley-Caunt introduced the report, the purpose of which was to update Members on counter fraud activity.

Ms. Ashley-Caunt advised that report detailed various actions that had been completed since Members were last updated (6 months ago) to promote counter fraud awareness and a zero tolerance to fraud and corruption.

Ms. Ashley-Caunt highlighted that she and the Monitoring Officer had delivered an

All Staff Briefing in September (those unable to attend were required to view a recording of the Briefing). This had been a useful interactive session, which had promoted a number of questions by staff.

Ms. Ashley-Caunt advised that the Council's website had been updated to promote access for reporting fraud, including links to advice, guidance and a reporting tool, which was monitored by her as an independent senior officer.

Ms. Ashley-Caunt advised that the Council had used November's International Fraud Awareness Week to promote its policies, including the Fraud Response Plan, which had been updated within the last 6 months to ensure it was aligned with best practice.

Ms. Ashley-Caunt confirmed that the next Counter Fraud Update would include an update on any fraud investigations.

During discussion the following points were noted:

- Members were pleased that the Council had enhanced the counter fraud information on its website, particularly with the addition of the reporting tool.
- Any reports of fraud would be treated as confidential.
- Ms. Ashley-Caunt was in regular contact with officers responsible for administering the business grants and was maintaining a specific log for these, in addition to the Fraud Log. All information (including any recoveries) would be compiled and brought to this Committee at the end of the financial year (on 9 March).
- Ms. Ashley-Caunt was in contact with Human Resources to ensure all staff had been briefed on the Council's counter fraud and zero tolerance to corruption policy (either by attending September's All Staff Briefing or by viewing a recording of the Briefing).

Audit and Standards Committee **NOTED** the report.

61

Internal Audit Plan Development for 2021/22

The Head of Internal Audit, Rachel Ashley-Caunt introduced the report, the purpose of which was to update Members on the development of the Internal Audit Plan 2021/22.

Ms. Ashley-Caunt advised that the report set out the process for development of next year's Internal Audit Plan, as agreed with Members. It included reference to the change in risk environment, as a result of Covid-19, which impacted on some Council priorities and risk areas for focus over the next 12 months.

Ms. Ashley-Caunt encouraged Members to advise her or Councillor Douglas (as Chair of this Committee) of any areas in need of audit coverage over the next 12 months (by the end of January), to be considered for inclusion in the audit planning process. It was the intention to include a full audit of the intensive housing management service, as stated above (Minute 59 - Internal Audit Update).

During discussion the following points were noted:

- Members highlighted that the reduction in income and deferral of the management fee for Waterfield Leisure Centre and the sports complex on Burton Road was an area of concern. An audit of the financial risks associated with these leisure facilities would be useful.
- Members noted that an audit on sundry debt had been completed in 2018/19 and asked that a further review (particularly of leisure) be undertaken next year.

Audit and Standards Committee

- 1) **APPROVED** the proposed approach to developing the Audit Plan for 2021/22;
- 2) **HIGHLIGHTED** any risk areas where the Committee requires assurance during the year ahead (and would have until the end of January to do so).

62	Urgent Business There was no urgent business.
----	---

The meeting closed at: 7.15 pm

Chair