
AUDIT COMMITTEE

MINUTES of the Meeting held in the Committee Room - Swale House on Wednesday, 10 June 2015 from 7.00 - 8.14 pm.

PRESENT: Councillors Mike Baldock, Andy Booth (Vice-Chairman), Mick Galvin, Nicholas Hampshire (Chairman), Harrison, Alan Horton, Nigel Kay and Peter Marchington.

OFFICERS PRESENT: Richard Clarke, Janet Dart, Russell Heppleston, Mark Radford, Nick Vickers and Filmer Wellard (all Swale Borough Council) and Trevor Greenlee (Grant Thornton).

ALSO IN ATTENDANCE: Councillors Adrian Crowther and Duncan Dewar-Whalley.

53 WELCOME

Cllr Dewar-Whalley suggested that as this was the first meeting of the new Committee it would be beneficial if all those present could introduce themselves. He also asked the Head of Audit Partnership to define the assurance rating levels.

54 DECLARATIONS OF INTEREST

Cllr Nicholas Hampshire and Cllr Andy Booth declared an interest for Item 4 (Internal Audit Annual Report 2014/15) as they both sit on the Swale Community Leisure Trust.

55 MINUTES

The Minutes of the Meeting held on 25 March 2015 (Minute Nos. 625 – 627) were taken as read, approved and signed by the Chairman as a correct record.

56 INTERNAL AUDIT ANNUAL REPORT 2014/15

The Head of Audit Partnership introduced the report which set out his unqualified annual opinion that can be used to inform the Annual Governance Statement 2014/15. The report also detailed the results of the Internal Audit Team and the effectiveness of the Internal Audit Service and its conformance to the Public Sector Internal Audit Standards.

Members made the following comments: To assist with comparison it was requested dates should be included on the Summary of Audit Work table on page 9; with reference to Performance, concerns were expressed about the low Outturn targets, the Head of Audit Partnership advised they are initial targets, there was more scoping work to do. There appeared to be some important areas missing such as VAT, HR risks, assets and computer security. It was explained that the Audit Service worked to a 4 year plan and this report related to one year, therefore these other areas were covered in other years. The 4 year plan would be re-circulated to Members by email. Members questioned why Safeguarding People was weak, this partly because of the importance Swale Borough Council (SBC)

placed on having robust controls in place and the development of the service since its inception. This area was a strategic risk and the audit had highlighted a number of areas where processes, whilst fit for purpose could be improved. The Housing Allocations Policy level was queried, as was the Council Tax systems high level of quality assurance.

The Director of Corporate Services stated that the Senior Management Team would like to acknowledge that following the Institute of Internal Audit assessment, Mid Kent Audit were the first authority to be fully conforming to all of the standards and the service should be congratulated.

Resolved:

- (1) That the annual opinion of the Head of Audit Partnership that reliance can be placed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control, and the opinion can be used to inform the Annual Governance Statement 2014/15 be noted.**
- (2) That the results of the work of the Internal Audit Team over the period April 2014 to March 2015, as shown in the report as the prime source for the Head of Audit Partnership's opinion be noted.**
- (3) That the effectiveness of the Internal Audit service and its conformance to the Public Sector Internal Audit Standards be noted.**

57 ANNUAL GOVERNANCE STATEMENT

The Head of Finance introduced the report by stating a decision to agree the document was necessary. A number of officers, including the Chief Executive and the other statutory officers, had had input and the report reflected their comments. The format of the report has been revised since last year to focus more on process.

Members made the following comments: Officers were thanked for the well-written report; reference was made to procurement, it was felt there was little about Member development or involvement in procurement and this was something SBC should look at encouraging. The Chairman suggested these comments should be taken to the relevant committee. It was also noted that Scrutiny Committee looked at procurement last year and there were regular Member Development training sessions which Members were encouraged to attend. Paragraph 3.30 on stakeholder and local engagement was challenged as a Member did not agree that the various consultation mechanisms were effective.

The matter was put to the vote.

Resolved:

- (1) The Annual Governance Statement was agreed..**

58 AUDIT COMMITTEE ANNUAL REPORT

The Audit Manager presented the report which sets out the role of the Committee, gives a breakdown of the reports and highlights of the year.

Members made the following comments: The Committee had a good year last year, issues that arose were all addressed. It was suggested the relevant Portfolio Holder should be included in the table setting out the record of attendance. It was agreed unanimously that this change should be made retrospectively.

Resolved:

- (1) That the Audit Committee Annual Report 2014/15 be agreed.**
- (2) That the Chairman of the Audit Committee provides the report to the meeting of the full Council to demonstrate how the Committee has discharged its duties.**

59 FEE LETTER 2015/16

Trevor Greenlee, the Engagement Manager at Grant Thornton went through the Fee letter explaining the fee setting process and why there was a reduction in fees for SBC.

Members made the following comments: a Member referred to the SBC Budget Book and queried which budget the External Audit fee came out of. The Head of Finance confirmed it came out of the Director of Corporate Services and Regeneration budget.

Resolved:

- (1) That the Fee Letter 2015/16 be noted.**

60 BENEFIT FRAUD ANNUAL REPORT 2014/15

The Fraud Investigations Supervisor presented the report which summarised the activities and outcomes undertaken during 2014/15 by Mid Kent Fraud Shared Service and also set out the impending changes resulting from the roll-out of the Single Fraud Investigation Service and their implications for Swale on 16 March 2016.

Members made the following comments: The way the report was set out was confusing. Concerns were expressed regarding the impending changes and the effectiveness of the Department of Work and Pensions and the subsequent impact this could have on SBC. Cllr Mike Baldock who was a County Councillor, would raise the point on Council Tax funding with KCC.

Resolved:

- (1) That the Benefit Fraud Annual report 2014/15 be noted.**

61 WORK PROGRAMME

Members referred to the Audit Committee Work Programme. It was agreed that the meeting on 30 September 2015 should be moved to 21 September 2015 at 7 pm.

Members discussed future Audit training, the Chairman proposed that it should take place separately to Audit Committee meetings so that it was available to all Members, following a vote the majority agreed this proposal.

Resolved:

(1) That the Work Programme be noted.

Chairman

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All Minutes are draft until agreed at the next meeting of the Committee/Panel