

AUDIT AND GOVERNANCE COMMITTEE

23rd January 2018

Present – The Chairman (Councillor Harbron) and Councillors Barrett, Brockbank, Brown, Lis and Place. Greg Robinson (Independent Person) was also in attendance.

Officers – Chief Finance Officer, Solicitor to the Council, Audit Services Manager and Committee Officer.

Apologies for absence were received from Councillors Hull, Mercer and Whitaker.

Start: 6.33pm

Finish: 7.41pm

The minutes of the Committee's meeting held on 14th November 2017 were confirmed and signed by the Chairman.

Minutes for Report

AC.305

EXTERNAL AUDIT : AUDIT PROGRESS REPORT

The External Auditors, Mazars LLP, submitted a report informing the Committee of progress made in delivering their responsibilities as the Council's external auditors and also drawing attention to emerging national issues and developments which may be of interest to Members.

In presenting the report Dan Spiller of Mazars highlighted the following points:

- The Council's 2016/17 Housing Benefits Subsidy Return had been certified without qualification, only minor amendment representing errors totalling less than £100 had been necessary on the total claim of £9,000,000. The fee for the certification work had amounted to £7,060.
- Planning work for the 2017-18 audit, which had to be completed by 31st July 2018, was now underway with a deadline for submission of the Council's accounts of 31st May 2018. Based on experience gained in 2017 there was no reason to believe that the audit would not be completed within the required timeframe. Public Sector Audit Appointments (PSAA) was consulting on the proposed scale of fees for the 2018-19 audits.
- A financial reporting workshop for officers involved in the production of the financial statements was being held in Leeds in February.
- Seminars on the new General Data Protection Regulations were being held on 31st January and 7th February 2018; the events were free of charge.

In referring to the PSAA's proposed scale of audit fees, the Chief Finance Officer advised Members that she had informed the PSAA that she considered this Council's proposed fee as being too high when compared to neighbouring authorities, and suggested a fee of between £29,000 and £34,000 would be more in line with her expectations. A response was awaited.

Resolved – That the External Auditor's progress report is noted.

AC.306

CONTRACT PROCEDURE RULES - EXEMPTIONS

Further to Minute AC.289/17-18, the Chief Finance Officer submitted a report presenting details of two exemptions granted from the Council's Contract Procedure Rules in the period July 2017 to November 2017.

The exemptions had involved expenditure in respect of additional costs associated with the demolition and construction of Skipton bus station toilets (£7,718.94) and the software used by the Revenues and Benefits Service (£3,250.00).

Note : The value of the exemption granted in respect of additional costs associated with the demolition and construction of Skipton bus station toilets had been mistakenly quoted in the above report as being £47,328.00, the value of the original contract.

Resolved – That the exemptions granted from the Council's Contract Procedure Rules are noted.

AC.307

INTERNAL AUDIT

a. Internal Audit Plan 2017-18 : Progress Report

Further to Minute AC.302(b)/17-18, the Audit Services Manager submitted a report updating the Committee on progress made against the 2017/18 Internal Audit Plan in the period 1st April 2017 to 31st December 2017. As at 31st December, a total of 114 of the approved 250 audit days within the plan had been spent; five of the planned eighteen audits had yet to start.

The Audit Services Manager reported that she had been advised that significant changes were taking place within the Council's trade waste service, those changes would include the introduction of new processes and procedures. It was therefore suggested that the proposed audit of trade waste within the current plan be carried forward to 2018/19 to enable audit to assist by checking and testing the new processes.

Subject to agreement on the position in respect of trade waste, all audits, including those brought forward from 2016/17, would be completed in line with the agreed plan. During the course of the ensuing discussion a member enquired whether it would be possible to include treasury management within the 2018/19 Plan and, it was

Resolved – (1) That the content of the Audit Services Manager's progress report is noted.

(2) That the proposed audit of trade waste is carried forward to the 2018/19 Internal Audit Plan.

(3) That consideration is given to inclusion of treasury management within the 2018/19 Internal Audit Plan.

b. Internal Audit Reports

The Internal Audit Services Manager presented copies of the audit reports listed below, which had been commissioned as part of the 2016/17 and 2017/18 Internal Audit Plans.

- Procurement Cards : Level of Assurance : Significant
- Money Laundering : Level of Assurance : Good
- Customer Complaints : Level of Assurance : Significant
- Information Governance : Level of Assurance : Good

The Audit Services Manager pointed out that if Council adopted the updated Anti-Money Laundering Policy (Minute AC. 308 below refers) the level of assurance attached to the audit in respect of money laundering could be adjusted to “significant”, and that much credit for the outcome of the audits in respect of customer complaints and information governance was due to the work of the Information Governance Officer. In commenting on the Information Governance Audit, the Independent Person expressed the view that the Committee may have been interested to see within the report detail of, for example, how the risks were identified, mitigation of those risks and validation of those controls. In response the Audit Services Manager indicated that if Members wished she could look to provide the detail suggested at the Committee’s next meeting.

Resolved – (1) That the reports of the Internal Auditor now presented are received, and that implementation of recommendations therein are monitored through the arrangements approved at Minute AC.138(a)/12-13.

(2) That the Audit Services Manager presents the detail behind the Information Governance Audit to this Committee’s next meeting.

Minutes for Decision

AC.308

ANTI-MONEY LAUNDERING POLICY

The Chief Finance Officer submitted a report seeking adoption of an updated Anti-Money Laundering Policy.

The Chief Officer explained that a piece of work undertaken by Internal Audit in reviewing the Council’s arrangements for prevention of fraud had highlighted the need for the Council to update its Anti-Money Laundering Policy adopted in April 2010 (Minute AC.65/09-10). In addition, regulations surrounding money laundering had changed in 2017 and the Council through best practice was required to have regard to those changes.

Copies of the updated Policy had been circulated with the Chief Finance Officer’s report.

RECOMMENDED – That the updated Anti-Money Laundering Policy, as now submitted is approved.

AC.309

WHISTLEBLOWING POLICY

The Solicitor to the Council submitted a report presenting and seeking approval of a revised Whistleblowing Policy. Members were reminded that the Council’s Whistleblowing Policy was last updated in 2013

In conducting a review of that Policy during the course of 2017, the Standards Committee had sought and obtained input from the Council’s Corporate Leadership Team, Senior Leadership Team, Human Resources and union workplace representatives.

At Minute STN.333/17-18 the Standards Committee had recommended adoption of the revised Policy now presented.

RECOMMENDED – That the revised Whistleblowing Policy, as now submitted, is adopted.

Chairman.