

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

Date of Meeting: 26th September 2017

**PRESENT: Councillor Aldred (Chair)
Councillors Essex, Procter, Smith and Steen**

**IN ATTENDANCE: Mr P Seddon, Head of Finance and Property
Mr M Baskerville, Audit Manager, Lancashire County Council
Ms K Murray, Director, Grant Thornton, Auditors
Mr A McGhee, Fraud & Compliance Officer
Miss G Ashton, Committee & Member Services Officer**

ALSO PRESENT: 2 members of the public

1. CHAIR'S INTRODUCTION

1.1 The Chair welcomed everyone to the meeting and outlined the housekeeping arrangements.

2. APOLOGIES FOR ABSENCE

2.1 Apologies were received from Councillors Bromley and Lythgoe, Mr M Ali, Co-opted member and Mrs R Lowry, Lancashire County Council.

3. MINUTES OF THE MEETING HELD ON 27TH JUNE 2017

3.1 Referring to Page 5, resolution 3, Councillor Essex asked if the three points had been actioned. The Head of Finance and Property confirmed he would follow this up.

RESOLVED:

The minutes of the meeting held on 27th June 2017 were agreed as a correct record.

4. URGENT ITEMS OF BUSINESS

4.1 The Chair confirmed that there were no urgent items of business.

5. DECLARATIONS OF INTEREST

5.1 There were no declarations of interest.

6. PUBLIC QUESTION TIME

6.1 The Chair agreed to deviate from the procedure for public speaking and allow

members of public present to ask questions as items on the agenda were presented. Members of the public were permitted to ask questions on items not on the agenda at this point in the meeting.

6.2 There were no public questions at this point.

7. CHAIR'S UPDATE

7.1 The Chair advised that the Empty Homes Programme was still ongoing. This was due to the HCA requesting additional information. Also following the Grenfell Tower fire, all HCA staff had been re-deployed.

7.2 The Head of Finance and Property confirmed that the Council needed to make their submission to the HCA by 8th November 2017. 219 properties were outstanding in the scheme and c 100 properties needed to be visited so that a Practical Completion Certificate could be issued. This involved a number of different departments and was time consuming.

8. ANNUAL FRAUD REPORT 2016/17

8.1 The Chair reminded members that they could not ask questions about individuals in the report.

8.2 The Fraud and Compliance Officer outlined the report which was to provide details of the Council's Fraud & Compliance performance during the period 1st April 2016 to 31st March 2017, to provide details of outcomes of action that were taken during that period and outline the plan for 2017/18.

8.3 He outlined a number of key points from the report including that Housing Benefit overpayments were the highest recorded across other benefits. Fraud overpayments had increased from the previous year. This was a national figure. The Council Tax Support scheme would cost £706,395 which was a direct cost to the Council. Work continued with partner organisations in the sharing of information. £71,677.20 debts had been written onto the system in relation to 94 investigated cases. 49 Business Accounts had received an increased rateable value as a direct result of Analyse Local. Council employees had completed a Fraud questionnaire and a Fraud Awareness course would be rolled out this year.

8.4 Members raised the following issues/questions:-

- Would members be included in the Fraud Awareness training.
- Could a summary of fraud detected and the amount re-collected be included in next year's report.
- Had the number of NFI cases reduced locally.
- Why had the number of matches reduced this year.
- The increased rateable value on Business Accounts was good.

- Would the use of satellite imaging be used on domestic properties.
- Were domestic bandings changed when properties were sold.
- Referring to item 5.10, out of date policies, were all policies covered.
- Who provided cover in the absence of the Fraud & Compliance Officer.
- Could a copy of the staff Fraud Awareness questionnaire be circulated.
- Why was the National Fraud Initiative completed every 2 years.

8.5 The Fraud & Compliance Officer, Director, Grant Thornton and Head of Finance and Property provided clarification on the issues raised.

RESOLVED:

That the Annual Fraud Report 2016/17 was noted.

9. INTERNAL AUDIT PROGRESS REPORT

9.1 The Audit Manager, Lancashire County Council outlined the report which asked members to note the Internal Audit Progress Report for the period to the end of September 2017.

9.2 It was noted that the 2016/17 Audit Plan had been issued as final and good progress was being made on the 2017/18 plan. Testing had been completed on Taxi Licensing and the Licensing of Alcohol sales. Audits had taken place on NNDR and Housing Benefits and substantial assurance given. A Council Tax audit had taken place which would be issued shortly. Substantial assurance had also been given to the Improvement Plan. Continuous reporting was taking place on training and the ILM programme for Middle Managers.

9.3 Members and members of the public raised the following issues/questions:-

- Councillor Essex asked for a copy of the 2016/17 reports.
- What response had been received from Management regarding Risk Management and were the auditors happy with the response.
- Limited assurance had been given to Procurement. Were the figures accurate in relation to the Empty Homes Scheme.
- Had monies been recouped in relation to the Empty Homes Scheme.

9.4 The Audit Manager, Lancashire County Council and Head of Property and Finance provided clarification on the issues raised.

RESOLVED:

That the Internal Audit Progress Report was noted.

10. EXTERNAL AUDIT PROGRESS REPORT

10.1 The Director, Grant Thornton outlined the report which asked members to note the External Audit Progress Report.

- 10.2 She reported that 3 years of accounts were waiting to be signed off i.e. 2014/15, 2015/16, 2016/17. Once funding confirmation had been received from HCA the 2014/15 accounts could be signed off, quickly followed by 2015/16. Fortnightly conversations had been taking place with HCA but had ceased following the Grenfell Tower fire. Background work had taken place on the 2016/17 accounts.

It was noted that from next year, the accounts would need to be completed by 31st July.

- 10.3 Members raised the following issues/questions:-

- Referring to the Independent Review of Building Regulations and Fire Safety, had Council owned properties been inspected.
- Had Greenvale Homes liaised with the Council regarding fire regulation compliance.

- 10.4 The Director, Grant Thornton and Head of Finance and Property provided clarification on the issues raised.

RESOLVED:

That the External Audit Progress Report was noted.

11. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

12. STANDARDS COMPLAINTS UPDATE (VERBAL)

- 12.1 An update was given in relation to Standards.

RESOLVED:

That the update was noted.

13. WHISTLEBLOWING UPDATE (VRBAL)

- 13.1 An update was given in relation to Whistleblowing.

RESOLVED:

That the update was noted.

The meeting commenced at 6.30pm and finished at 7.12pm

Signed (Chair)

Date