

**MINUTES OF A MEETING OF THE  
ACCOUNTS AND AUDIT COMMITTEE  
HELD AT NELSON TOWN HALL  
ON THURSDAY 28<sup>TH</sup> SEPTEMBER, 2017**

*PRESENT –*

*Councillor P. White – (Vice-Chairman, in the Chair)*

*Cllr Nadeem Ahmed*

**Also in attendance**

<i>K. Murray</i>	<i>Grant Thornton UK LLP</i>
<i>V. Green</i>	<i>Financial Services Manager PBC</i>
<i>F. Khaliq</i>	<i>Audit Manager PBC</i>
<i>J. Eccles</i>	<i>Committee Administrator PBC</i>

*(Apologies were received from Mr D. Whatley, Mr M. Youlton and Councillors L. Davy, M. Ammer and D. Lord.)*



**115. DECLARATION OF INTERESTS**

Members were reminded of the legal requirements concerning the declaration of interests.

**116. MINUTES**

The Minutes of the last meeting of the Committee held on 31<sup>st</sup> July, 2017 were submitted for approval.

**RESOLVED**

That the Minutes be agreed as a correct record and signed by the Chairman.

**117. EXTERNAL AUDIT – UPDATE FROM GRANT THORNTON**

K. Murray presented an update on the work of the External Auditors as at 14<sup>th</sup> September.

The audit opinion on the 2016/17 accounts had concluded and was issued following approval of the financial statements at the Committee's previous meeting. The work on the Housing Benefits subsidy claim for 2016/17 was ongoing.

The next Audit Plan would be presented to the Committee in March 2018 and the final accounts audit produced in June/July 2018.

K. Murray drew attention to the second part of the update which highlighted Sector Issues and referred to some publications by Grant Thornton for information.

**RESOLVED**

That the update on the work of the External Auditors be noted.

**118. ARRANGEMENTS FOR COMPUTER AUDIT 2017/18**

The Financial Services Manager submitted a report about the arrangements made for the provision of computer audit services in the current financial year.

There was a discussion about the new General Data Protection Regulation coming into force in May 2018 and what was being done to ensure that the Council would be compliant.

**RESOLVED**

That the position outlined in the report and the engagement of the Merseyside Internal Audit Agency for the provision of computer audit services in 2017/18 be noted.

**119. INTERNAL AUDIT UNIT – PROGRESS REPORT**

The Audit Manager submitted an update on progress against the Internal Audit Plan for 2017/18 as at September 2017. It also informed Members of the revised Internal Audit Charter that has been amended to reflect changes made to the Public Sector Internal Audit Standards.

**RESOLVED**

- (1) That the progress made against the Audit Plan for 2017/18 set out at Appendix A of the report be noted and the adjustments agreed.
- (2) That the revised Internal Audit Charter and Code of Ethics set out at Appendix B of the report be approved.

**120. IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS 2017/18**

The Audit Manager submitted a report providing a summary of progress on the implementation of internal audit recommendations at 19<sup>th</sup> September 2017. Of 100 recommendations made by Internal Audit, 56 had been implemented and 44 were in the process of being implemented by Management.

**RESOLVED**

That the progress made on the implementation of Internal Audit recommendations up to 19<sup>th</sup> September 2017 be noted.

**121. MANAGING THE RISK OF FRAUD, THEFT AND CORRUPTION**

The Audit Manager submitted a report with an update on the Council's anti-fraud, theft and corruption arrangements and answered related questions. It also reported back on the Council's self-assessment against the "Fighting Fraud and Corruption Locally 2016-19" checklist (Appendix A).

The checklist showed that the Council could demonstrate that it had a good anti-fraud culture and there were proportionate measures in place to prevent and detect fraud particularly in risk areas of Housing Benefit/Council Tax, Procurement, Payroll and Cash Collection. An action plan had been developed to address any issues arising, which was set out at Appendix B.

Appendix C set out the year on year comparison of recovery of overpayments from 2008/9 to 19<sup>th</sup> September 2017. At Appendix D there was a breakdown of the 2017/18 Housing Benefit fraud cases which had been investigated by SFIS and the results reported.

There was a discussion about the Council not having any professionally trained and accredited counter fraud staff. K. Murray advised that this was not unusual for the size of the Council. The Financial Services Manager assured Members that the Team had some experience to investigate allegations of fraud and corruption but recognised there may be instances when it was necessary to call in specialist help. It was noted that the various Anti-Fraud and Corruption Policy would be brought to the Committee in January 2018 for review and approval.

## **RESOLVED**

- (1) That the activity undertaken to manage and mitigate the risk of fraud, theft and corruption within the Council's activities be noted.
- (2) That the Council's assessment against the "Fighting Fraud and Corruption Locally 2016-19" checklist and action plan be noted.

## **122. TREASURY MANAGEMENT 2017/18 – QUARTER 2 MONITORING REPORT**

The Financial Services Manager submitted a report on the treasury management activities of the Council in the first half of 2017/18. The report provided a summary of the activity undertaken in relation to the Council's debt and investments. An analysis of the long-term debt and a maturity profile were provided as appendices to the report.

The report also informed Members about the Markets in Financial Instruments Directive II (MiFID II) which would come into force on 3<sup>rd</sup> January 2018. This required the Council to decide on its Client Category, either "retail" status (default position) or "professional" status, via an opting-up process. The Council intended to participate in CIPFA's opting-up process to notify Financial Institutions of its intention to opt-up to "professional" client. Further updates would be presented to members in due course.

## **RESOLVED**

- (1) That the work on the Council's treasury management activities in the first half of 2017/18 be noted.
- (2) That the implications for the Council of the forthcoming MiFID II regulations and the actions being taken in response be noted.

## **123. PERFORMANCE INDICATORS 2017/18 – DEALING WITH CUSTOMER COMPLAINTS**

The Financial Services Manager submitted a report asking Members to consider the position on complaints monitoring for the first quarter of 2017/18 as reported to the Executive on 24<sup>th</sup> August. This was in response to the request of this Committee at its meeting in March.

The Corporate target was to achieve 100% of all complaints received in a quarter being resolved within 15 working days. The actual performance achieved in the first quarter in 2017/18 was 92.5%. Performance, whilst still under target, was improving.

**RESOLVED**

That the additional focus and work on complaints monitoring by officers be welcomed and the signs that performance was improving be noted.

**124. REVIEW OF STRATEGIC RISK – “MAJOR DISASTER AFFECTING  
DELIVERY OF COUNCIL SERVICES”**

The Financial Services Manager suggested that in view of the number of absences that the above presentation be given at the next meeting.

**RESOLVED**

That the presentation on “Major Disaster affecting delivery of Council Services” be deferred to the next meeting.

Chairman \_\_\_\_\_