

**MINUTES OF A MEETING OF THE
ACCOUNTS AND AUDIT COMMITTEE
HELD AT NELSON TOWN HALL
ON TUESDAY 24TH SEPTEMBER, 2019**

PRESENT –

Councillor K. Turner – (Vice-Chairman, in the Chair)

*Councillor M. Ammer
Mr D. Rothwell*

*Councillor B. Newman
Councillor Q. Shazad*

Also in Attendance

<i>M. Dixon</i>	<i>Grant Thornton UK LLP</i>
<i>S. Guinness</i>	<i>Chief Financial Officer PBC</i>
<i>C. Finn</i>	<i>Accountancy 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 and Councillor T. Cooney.)



12. DECLARATION OF INTERESTS

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

13. MINUTES

The Minutes of the last meeting held on 30th July, 2019 were submitted for approval.

RESOLVED

That the Minutes of 30th July, 2019 be agreed as a correct record, subject to the inclusion of D. Rothwell's apologies.

14. EXTERNAL AUDIT – ANNUAL AUDIT LETTER

M. Dixon presented the Annual Audit Letter summarising the key findings arising from the work they had carried out at the Council for the year ended 31st March 2019. The draft key findings had been presented at the last meeting on 30th July, when Grant Thornton concluded that in all significant respects, the Council had in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Grant Thornton also proposed to give an unqualified Value for Money assurance opinion. It was noted that the accounts had been signed off on 31st July 2019 and this assurance given.

She highlighted some additional audit work carried out by Grant Thornton in 2018/19 which was detailed on page 11 of the report. The fee had been referred to the Public Sector Appointments Ltd for approval.

RESOLVED

That the Annual Audit Letter be noted.

15. FRAUD UPDATE 2019/20

The Audit Manager submitted the Council's anti-fraud policy, theft and corruption activity for the last 6 months and answered related questions. At Appendix A of the report was a breakdown of the 2018-19 Housing Benefit fraud cases which had been investigated by the Department of Work & Pensions Single Fraud Investigation Service. Details were provided of the amount recovered up to 31st August 2019. At Appendix B was the year on year comparison of recovery of overpayments from 2008/09 to the current date.

Liberata continued to investigate Council Tax Benefit Fraud and complete the National Fraud Initiative (NFI) matches. Internal Audit looked at fraud and corruption and theft within the Council. Counter fraud policies continued to be promoted and staff were required to read them at least annually. Staff had also been reminded about accepting gifts or hospitality.

It was noted that the Council was undergoing a transfer of Housing Benefit cases to Universal Credit which was expected to reduce the impact of Housing Benefit Fraud.

The Chief Financial Officer said that she was discussing with the Audit Manager how best to present future information on Housing Benefit fraud overpayments and recovery, and this would come back to a future meeting.

RESOLVED

- (1) That the activity being taken to counter fraud, theft and corruption be noted.
- (2) That with regard to Housing Benefit fraud, the Audit Manager look at the overpayment and recovery rates for other local authorities in Lancashire to see how Pendle compared.

16. INTERNAL AUDIT MONITORING REPORT 2019/20

The Audit Manager submitted a report with an update on the progress against the Internal Audit activity to the end of August 2019.

It was noted that the Mersey Internal Audit Agency was expected to carry out reviews in the next 6 months, on behalf of the Council, looking at IT Business Continuity arrangements and Remote/mobile working.

RESOLVED

- (1) That the progress made against the Audit Plan for 2019/20 be noted.
- (2) That the progress made on the implementation of Internal Audit recommendations set out in Appendix B and C of the report be noted.

17. TREASURY MANAGEMENT 2019/20 – QUARTER 1 MONITORING REPORT

The Chief Financial Officer presented a report on the treasury management activities of the Council for the second quarter of 2019/20 up to 11th September. 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 as at 11th September and a maturity profile were provided as appendices to the report. The report included the investment approaches offered to LAs based on “Deal” or No Deal” scenarios. As Brexit negotiations continue, the Council would continue to review this position and the implications.

Since the report was produced on 11th Sept, the balance of investments now stood at £21m (down from £23m in the report). Additional borrowing had been undertaken on 13th September in the sum of £1.5m from the Public Works Loan Board – fixed for approximately 15years at a fixed rate of 1.76%. This now took the average costs of borrowing down to 2.94% (whereas the report position was 3.02%).

Since the last meeting, the Policy and Resources Committee had agreed that an updated Treasury Management Strategy Statement including an updated Minimum Revenue Provision Policy Statement and Annual Investment Strategy, revised Capital Strategy 2019 to 2021/22 and draft Property Investment Strategy, be recommended to Council for approval.

A report was going to Full Council the following week seeking approval of the above strategies and to put in place the funding and necessary governance arrangements for a Property Investment Fund which would be used for investment in commercial property acquisitions, with a view to generating net additional income to support the Council’s Revenue Budget.

The Chief Financial Officer answered a number of questions following a discussion on the Council’s approach to borrowing and its investment strategy.

RESOLVED

That the work on the Council’s treasury management activities in the period April to September 2019 be noted.

18. CORPORATE GOVERNANCE FRAMEWORK UPDATE 2019/20

The Chief Financial Officer presented a report providing the action plan resulting from the authority’s full self-assessment against the above framework, reported to this Committee in March 2019. The report gave an update on work undertaken since then and further actions planned aimed at improving the Council’s performance in the 7 AMBER areas identified. The aim of the action plan was to uplift the indicator to GREEN later in the year when the impact could be reassessed.

It was noted that the Delivering Good Governance Action Plan September 2019 at Appendix 2 mentioned support/access to LGA Councillor Development programme.

RESOLVED

- (1) That the Government Framework Action Plan at Appendix 2 of the report be noted.
- (2) That the intention to continue to provide further reports in due course to ensure the Council’s corporate governance framework remains subject to regular review and scrutiny by this Committee be noted.

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- (3) That the Chief Financial Officer look into Councillors paying for their own training expenses to take part in the LGA Councillor Development programme to make sure it was consistent with previous practice.

Chairman _____