

Minutes of a meeting of the **Audit Committee** held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on **Thursday 15 March 2018** at **10.00 am** when there were present:

Mr N C Shaw – Chairman

Mr P H Carrick

Mrs B H Rix

Mr V B Tapp

Mrs K A Vincent

Also in attendance were the Head of Internal Audit, Corporate Finance Manager, Counter Fraud Investigation Officer and the Committee Officer (JO).

Mark Hodgson and Sappho Powell (Ernst and Young) attended the meeting for its duration.

### **26 MINUTES**

The Minutes of the meeting held on 11 January 2018 were confirmed as a correct record and signed by the Chairman.

### **27 STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS 2018/19**

The report presented the Internal Audit Strategy, the Strategic Internal Audit Plan and the Annual Internal Audit Plan 2018/19 for approval.

The Internal Audit Strategy was a strategic high level statement on how the internal audit service would be delivered and developed in accordance with the Audit Charter and how it was linked to the organisational objectives and priorities.

The Audit Charter had been reviewed and minor amendments had been made. The only key changes were the addition of the following paragraphs:

3.2.4 – Where the Head of Internal Audit has responsibilities that fall outside of internal auditing, safeguards are in place to limit impairments to independence and objectivity.

8.2 – The Head of Internal Audit consults with senior management and the Audit Committee and obtains an understanding of the Council's strategies, key business objectives, associated risks and risk management processes.

The Strategic Internal Audit Plan 2018/19 would cover Governance, Financial Systems, Service Area Audits, ICT (including Cybercrime) and the follow up of Audit Recommendations. The Head of Internal Audit also highlighted the links between the Internal Audit Plan and the Fraud Plan of work.

The meeting was advised that there were currently no ICT Audits planned beyond 2018/19, however the ICT Strategy and associated roadmap was being reviewed, alongside the potential impact of the collaboration Feasibility Study with South Norfolk Council. The IT audits for future years would be decided at a later date and reported to committee as appropriate.

An audit of the systems in place for the General Data Protection Regulation that would come into force on 25 May 2018, would take place jointly with South Norfolk Council. Members were advised that Broadland had already provided training to parish councils on this subject.

In response to a query regarding Performance Measures, the meeting was informed that 90 percent was a target for the percentage of recommendation accepted by management. This was usually because some recommendations could be disproportionately costly to implement, even if they did conform to best practice.

Members were also informed that a new Internal Audit Manager had recently been appointed and would be attending the next meeting.

### **RESOLVED**

to note and approve:

- (1) the Internal Audit Strategy for 2018/19;
- (2) the Strategic Internal Audit Plans 2018/19 to 2020/21; and
- (3) the Annual Internal Audit Plan 2018/19.

## **28 ANNUAL COUNTER FRAUD REPORT**

The report provided details of the counter fraud work undertaken by the Council during 2017/18, as well as the Fraud Plan for 2018/19.

During 2017/18 the Corporate Fraud Officer had continued to focus on the prevention of fraud and raising the profile of the service both internally and externally.

Projects and initiatives undertaken over the period included:

- A project to identify previously unknown holiday accommodation and public use swimming pools in the district to ensure that the appropriate Council Tax/Business Rates were being paid. The project had also generated income in areas such as retrospective planning application

fees and trade waste charges.

- A review of the recipients of the 25 percent single person's Council Tax discount to identify where the discount might have been claimed fraudulently.
- Working with the Investigative Auditor at Norfolk County Council to explore ways that intelligence could be shared to minimise areas of risk for both authorities.
- Exploring the establishment of a Fraud Hub to share information between all Norfolk local authorities.

The Fraud Plan for 2018/19 included a review of procurement, to be carried out in conjunction with Internal Audit, to ensure that the relevant legislation was complied with.

### **RESOLVED**

to note the report.

## **29 EXTERNAL AUDIT PLAN 2017/18**

The Audit Plan set out how External Audit would be carrying out their responsibilities as an auditor.

The main risks identified remain unchanged from the previous year and were: the Risk of Management Override, Property, Plant and Equipment Valuation and Pensions Liability. Each of these risk areas would be subject to a planned audit strategy.

The Audit Plan would provide an audit opinion on whether the financial statements of the Council gave a true and fair view of the financial position as at 31 March 2018, as well as a conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

In response to a query, it was confirmed that Broadland's current pension fund liability was included on the Council's balance sheet.

### **RESOLVED**

to note the External Audit Plan 2017/18.

## **30 LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING**

The Audit Committee briefing covered issues relevant to the local government

sector including the General Data Protection Regulation, which would come into force on 25 May 2018.

The Committee noted the briefing.

### **31 AUDIT COMMITTEE PRESENTATION TO COUNCIL**

Members were reminded that when conducting their Self-Assessment last year they had noted that the role and purpose of the Audit Committee was only partially understood across the Council and it had been suggested that a presentation on the work of the Committee should be made to Council.

The Head of Internal Audit confirmed that she and the Head of Finance and Revenue Services would put together a presentation highlighting the work of the Committee for the 15 May 2018 meeting of Council. The presentation would be circulated to Members for comment.

The Chairman suggested that fraud would be a good subject to include in the presentation.

### **32 WORK PROGRAMME**

It was agreed that the Service Risks item for the 28 June 2018 meeting would be a verbal update.

Members noted the Work Programme.

*The meeting closed at 11.03am*