

Minutes of a meeting of the **Audit Committee** held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on **Thursday 14 March 2019** 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 Finance and Revenue Services, Internal Audit Manager, Counter Fraud Investigation Officer and the Committee Officer (JO).

Mrs Copplestone, Mr Knowles, Mrs Mancini-Boyle and Mr Vincent were also in attendance.

Chris Scott, Head of Treasury Team at Link Market Services was present for item no. 32 - Risk and Treasury Management.

31 MINUTES

The Minutes of the meeting held on 10 January 2019 were confirmed as a correct record and signed by the Chairman.

Minute no. 25 – Risk Register and Performance Management

Members were advised that the Performance Report would now be considered at the 27 June 2019 meeting.

32 RISK AND TREASURY MANAGEMENT

Members received a presentation from Chris Scott, Head of Treasury Team at Link Market Services (attached at Appendix 1 to the signed copy of these Minutes).

In response to Members' questions the Committee was advised that:

- There was no restriction on local authorities investing in emerging markets, as long as it was through a Sterling fund.
- There were no restrictions on how much a local authority could borrow, but a good business plan would need to be in place to access Government funding. It was noted that since 2016 Spelthorne Borough Council had borrowed £1bn from the Public Works Loan Board to invest in property.

Members thanked Mr Scott for his comprehensive presentation.

33 STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS 2019/20

The report provided an overview of the stages followed prior to the formulation of the Strategic Internal Audit Plan for 2019/20 to 2021/22 and the Annual Internal Audit Plan for 2019/20. It also provided the basis for the Annual Audit Opinion on the overall adequacy and effectiveness of Broadland District Council's framework of governance, risk management and control.

The Annual Internal Audit Plan was produced in consultation with senior management and comprised 141 days encompassing 12 assignments. Five joint audits with South Norfolk Council would be undertaken: Corporate Governance; Risk Management; Planning and Development Management; Disaster Recovery and Business Continuity and Network Infrastructure and Security.

The Internal Audit Charter had been updated to reference the role of the reporting lines of Internal Audit through the Internal Audit Manager to the Head of Internal Audit.

The Internal Audit Strategy, which set out how internal audit services would be delivered, developed, resourced and linked in with the priorities of the Council remained unchanged.

In response to a query Members were advised that the timing of audits had been agreed with officers, but the Plan remained flexible and the timetable could be amended if required.

RESOLVED

To note and approve the:

- (1) Internal Audit Charter;
- (2) Internal Audit Strategy for 2019/20;
- (3) Strategic Internal Audit Plans 2019/20 to 2021/22; and
- (4) Annual Internal Audit Plan 2019/20.

34 ANNUAL FRAUD UPDATE

The report provided details of the counter fraud work undertaken during 2018/19 and set out the Fraud Plan for 2019/20.

Over the course of the last year the Corporate Fraud Officer had worked alongside a number of services to prevent fraud; including the Housing Team, the Police, Norfolk County Council Fraud Hub, Trading Standards and the Department for Work and Pensions. Work had also been undertaken with the Council Tax Team to detect fraudulently claimed 25 percent Single Person's Discount.

A notable success had been the Crown Prosecution Service pursuit of a Housing Benefit overpayment of £14,674.62, which had led to a Proceeds of Crime Act 2002 hearing, where the Council was awarded a full compensation order and the claimant given six months to repay the overpayment in full or face a custodial sentence.

The Corporate Fraud Officer continued to identify previously unknown holiday accommodation and public use swimming pools in the district, which had led to an additional source of Business Rates income.

The National Fraud Initiative (NFI) was an exercise that matched electronic data between public and private sector bodies to prevent and detect fraud. The latest data matches for 2019 had just been released and would be reviewed by the Corporate Fraud Officer, however due to her additional responsibilities this might be restricted to the high risk matches only.

The Corporate Fraud Officer had engaged with the new Fraud Hub that Norfolk County Council had set up and funded for 13 months from January 2019. After the trial period had expired they would require an ongoing annual payment of £4,080, in addition to the £2,200 that the Council were already charged to take part in the mandatory exercise.

The Hub would allow data to be shared across the county on a more frequent basis to minimise areas of risk and detect fraud at an early stage. The Council would be required to submit data as it did currently for NFI. This was a very labour intensive exercise and consideration would have to be given about how this would be resourced.

The Head of Finance and Revenue Services advised the meeting that discussions were being held this afternoon in respect of the Norfolk Fraud Hub to clarify what benefits the Council would derive from participating in the Hub. As the Hub would also have implications for the Department for Work and Pensions Fraud Teams, the Corporate Fraud Officer had requested that they be invited to participate in the discussions as well.

In response to a query, the Corporate Fraud Officer confirmed that a significant element of her workload was keeping apprised of changing legislation that could have a bearing on fraud and its prevention.

RESOLVED

- (1) To note the report and the Fraud Plan for 2019/20.

RECOMMENDED TO COUNCIL

- (2) To continue to participate in the Norfolk Fraud Hub at a cost of £4,080 for 2019/20, subject to the comments of the Head of Finance and Revenue Services regarding the scheme's value for money.

35 INDEPENDENT AUDIT COMMITTEE MEMBER

It was **AGREED** that this item would be deferred until after the District elections in May 2019.

36 WORK PROGRAMME

The following items were added to the Committee's Work Programme:

27 June 2019	<ul style="list-style-type: none">• Internal Audit Progress Report• Internal Audit Follow Up Report• Performance Report• Independent Audit Committee Member
9 January 2020	<ul style="list-style-type: none">• Internal Audit Progress Report• Internal Audit Follow Up Report
12 March 2020	<ul style="list-style-type: none">• Strategic and Annual Internal Audit Plan 2020/21

The Chairman noted that this would be the last meeting of the Head of Finance and Revenue Services before she left the Council to take up a post elsewhere. Members thanked her for her hard work at the Council.

The meeting closed at 12.01 pm