

SUMMARY OF DECISIONS

Meeting:	Audit Committee	
Date:	Tuesday, 20 November 2018	
Place:	Shimkent Room - Daneshill House, Danestrete	
Members Present:	Councillors:	Maureen McKay (Chair), John Gardner (Vice-Chair), Howard Burrell, Laurie Chester, Graham Lawrence and Graham Snell. Independent Member – Mr Geoff Gibbs
Also Present:	N Jennings (Shared Anti-Fraud Services) S Martin (Shared Internal Audit Services)	

1	APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST	I Gourlay x 2703
	<p>Apologies for absence were received from Councillors David Cullen and John Lloyd.</p> <p>There were no declarations of interest.</p>	
2	MINUTES - 12 SEPTEMBER 2018	I Gourlay x 2703
	<p>It was RESOLVED that the Minutes of the meeting of the Audit Committee held on 12 September 2018 be approved as a correct record and signed by the Chair.</p> <p>In respect of Minute 4 – SIAS Annual Report 2017/18, the Independent Member (Mr Geoff Gibbs) confirmed that he had just received the Ernst & Young toolkit for assessing the effectiveness of Audit Committees. He acknowledged that a full scale review might be costly, but felt that some form of self-assessment might be possible.</p>	
3	SHARED ANTI-FRAUD SERVICE (SAFS) - PROGRESS WITH DELIVERING THE 2018/19 ANTI-FRAUD ACTION PLAN	N Jennings (SAFS)
	The Shared Anti-Fraud Manager presented a progress report on the Anti-Fraud Plan 2018/19.	

	<p>The Shared Anti-Fraud Manager referred to the Government's Anti-Corruption Strategy 2018-22, which was a useful reference document for tackling bribery and corruption, especially from overseas sources.</p> <p>In response to a Member's question, the Shared Anti-Fraud Manager confirmed that he was confident that all of the actions contained in the 2018/19 Action Plan would be completed by the end of March 2019.</p> <p>It was RESOLVED that the work of Officers and the Shared Anti-Fraud Service (SAFS) in delivering the Anti-Fraud Plan 2018/19 be noted.</p>	
4	SHARED ANTI-FRAUD SERVICE (SAFS) - COUNCIL ANTI-FRAUD PLAN 2017/2108	N Jennings (SAFS)
	<p>The Shared Anti-Fraud Manager presented a report detailing the work of the Council and Shared Anti-Fraud Service (SAFS) in delivering the Anti-Fraud Action Plan 2017/18.</p> <p>The Shared Anti-Fraud Manager drew attention to an interesting CIPFA document on all reported fraud in Local Government in the UK. He undertook to circulate this document to all Members of the Committee.</p> <p>It was noted that all of the SAFS 2017/18 Key Performance Indicators had been met, with the exception of the one relating to "Success rate for cases investigated", which had achieved a 44% outcome against a target of 50%.</p> <p>In response to a series of Members' questions, the Shared Anti-Fraud Manager replied as follows:</p> <ul style="list-style-type: none"> • Sometimes it was difficult to place a value on identified fraud, and so some of the figures in the report referred to irrecoverable losses to SBC as a result of fraudulent activity; • Staff who reported fraud were provided feedback on the outcome (success or otherwise) of the case; • Blue Badges – where these were removed from individuals due to fraudulent use, the costs attributed to this were recorded 	

	<p>as savings (ie. the additional revenue gained by the individual using a regular parking space rather than a Blue Badge space);</p> <ul style="list-style-type: none"> • The majority of the type of Local Government fraud had not changed over the past 5 years (mostly Council Tax and Housing Benefit fraud), although certain areas of fraud had become much more sophisticated, especially due to the rise in “fake” companies, many of them based overseas; and • Where no action had been taken on fraud allegations this was often due to the quality of the report; the fact that it did not fit into the SAFS remit (in which case it was referred to others organisations, such as the Department for Work & Pensions); or the value of the alleged fraud could be dealt with administratively, without the need for further investigation. <p>It was RESOLVED that the work of the Council and Shared Anti-Fraud Service (SAFS) in delivering the Anti-Fraud Action Plan 2017/18 be noted.</p>	
5	SHARED INTERNAL AUDIT SERVICE (SIAS) - PROGRESS REPORT 2018/2019	S Martin (SIAS)
	<p>The Committee received the Shared Internal Audit Service (SIAS) 2018/19 progress report for the period to 2 November 2018.</p> <p>The Committee was advised that, since the issue of the report, the number of SIAS planned/billable days had increased from 178.5 to 185.</p> <p>The SIAS Client Audit Manager confirmed that the dates pertaining to the Mobile Device Management and BYOD and TSS Improvement Plan Governance Audits, shown as May and June 2018 respectively, were the start dates for these audits. Final reports had not yet been issued due to the complexities of both of these audits.</p> <p>The Committee noted that High Priority Audit Recommendations set out in the report related to CCTV and Cyber Security, and that Management Responses had been provided against each recommendation.</p>	

	<p>In respect of the CCTV recommendations, the Committee was informed that a shareholder review was taking place of the effectiveness of both the Joint CCTV Partnership and the CCTV company, with a view to ascertaining whether to expand the service or concentrate on the core functions.</p> <p>It was RESOLVED:</p> <ol style="list-style-type: none"> 1. That the Internal Audit Progress report be noted. 2. That the status of Critical and High Priority Recommendations be noted. 	
6	2018/2019 MID YEAR TREASURY MANAGEMENT REVIEW	C Fletcher x 2933
	<p>The Committee considered a report which updated Members on Treasury Management activities in 2018/19 and reviewed the effectiveness of the 2018/19 Treasury Management and Investment Strategy, including the 2018/19 prudential and treasury indicators.</p> <p>The Assistant Director (Finance & Estates) referred to some minor amendments to the report.</p> <p>The Assistant Director (Finance & Estates) advised that, as at 1 April 2018, the cash balances held by the Council totalled £62.4Million. Most of this sum was held on behalf of other parties or their use was restricted to capital projects which had already been identified.</p> <p>The Committee noted that the report also recommended that, in the future, officers were authorised to undertake treasury management functions on behalf of any Council owned companies and Council Limited Liability Partnerships.</p> <p>It was RESOLVED:</p> <ol style="list-style-type: none"> 1. That Council be recommended to approve the 2018/19 Treasury Management Mid-Year review. 	

	<p>2. That Council be recommended to approve the latest list of approved Countries for investments, as set out in Appendix D to the report.</p> <p>3. That Council be recommended to empower officers to undertake treasury management functions on behalf of Council wholly owned companies and/or Council Limited Liability Partnership (LLP), subject to authorisation from the Board of Directors (see Paragraph 4.5.12 of the report).</p>	
7	URGENT PART 1 BUSINESS	
	None.	
8	EXCLUSION OF PUBLIC AND PRESS	I Gourlay x 2703
	<p>It was RESOLVED that:</p> <p>1. Under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.</p> <p>2. Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.</p>	

9	STRATEGIC RISK REGISTER	R Protheroe x 2938
	<p>The Committee considered received the Council's latest Strategy Risk Register.</p> <p>Members asked a number of detailed questions about the report which were answered by the Officer.</p> <p>It was RESOLVED:</p> <ol style="list-style-type: none"> 1. That the latest Strategic Risk Register (Appendices A1 - A3 to the report) be noted. 2. That the developments on risk management issues be noted. 	
10	URGENT PART II BUSINESS	
	None.	
11	PART II MINUTES AUDIT COMMITTEE 12 SEPTEMBER 2018	I Gourlay x 2703
	It was RESOLVED that the Part II Minutes of the meeting of the Audit Committee held on 12 September 2018 be approved as a correct record and signed by the Chair.	