

AUDIT PANEL

Tuesday, 1 March 2016

Commenced: 2.00 pm

Terminated: 2.40 pm

Present: Councillors Ricci (Chair), Bailey, Fairfoull, J Fitzpatrick and Welsh

Apologies for Absence: Councillors Buckley and Peet

14. DECLARATIONS OF INTEREST

There were no declarations of interest.

15. MINUTES

The Minutes of the proceedings of the meeting of the Audit Panel held on 3 November 2015 were agreed and signed as a correct record.

16. GRANT CERTIFICATION REPORT

The Assistant Executive Director (Finance) submitted a report, which set out details of the Grant Certification Report for 2014-15.

The report gave details of one certified claim (Housing Benefit and Council Tax Benefit Subsidy), for the financial year 2014-15 relating to expenditure of £91.2m.

The report summarised Grant Thornton's overall assessment of the Council's management arrangements in respect of the certification process. The key message from the certification work was that, overall, the Council's arrangements had continued to improve in most areas in 2014-15.

Details of the Certification fees were also appended to the report.

RESOLVED:

That the report be noted.

17. PROGRESS REPORT ON RISK MANAGEMENT AND INTERNAL AUDIT ACTIVITIES APRIL TO JANUARY 2016

Consideration was given to a report of the Assistant Executive Director (Finance) and Head of Risk Management and Audit Services detailing the work undertaken by the Risk Management and Internal Audit Service between April 2015 and January 2016.

With regard to Information Governance, resources had been directed towards training to ensure that all staff had completed the on-line 'Data Protection at Work' tutorial. A further tutorial had recently been launched with a completion date of 31 March 2016. Work had also been undertaken to collate information required by the Council's insurers in relation to the annual renewal of insurance policies.

Reference was made to the Internal Audit Plan, which had been approved in May 2015 and covered the period April 2015 to March 2016. It was reported that 82% of the audit plan had been achieved so far. During the four month period to the end of January 2016, 7 final reports were issued in

relation to system based audits and 8 draft reports had been issued for management review and responses.

It was reported that 9 School Audits had been completed with 6 draft reports issued to Schools for management review and responses. The Panel were provided with details of work undertaken which did not generate an audit opinion.

Post Audit Reviews were undertaken approximately six months after the final report had been issued, however, where a low level of assurance was issued the post audit review was scheduled for three months to ensure that the issues identified were addressed. 11 Post Audit Reviews had been completed during the period taking the total for the year to 36.

The review of Internal Audit reported to the Audit Panel in May 2015 against the Public Sector Internal Auditing Standards highlighted that the service was fully compliant with the requirements of the standard.

Standard 1312 required that an external assessment must be carried out at least once every five years, by a qualified, independent assessor or assessment team from outside the organisation. The peer review process developed by North West Chief Audit Executives' Group had been piloted and the panel were in the process of drafting their report. A second pilot was due to be undertaken by the end of March 2016 followed by a rolling programme of reviews to be compiled for the remaining North West Authorities.

Work undertaken in the following areas was detailed as follows:

- Annual Governance Statement;
- Irregularities/Counter Fraud Work; and
- NAFN Data and Intelligence Services.

RESOLVED:

That the report and performance of the Service Unit for the period April 2015 to January 2016 be noted.

18. NATIONAL ANTI FRAUD NETWORK DATA AND INTELLIGENCE SERVICES

The Assistant Executive Director (Finance) submitted a report updating Members with an overview of the services provided by the National Anti-Fraud Network (NAFN) Data and Intelligence Service. The service gathered data and intelligence used for supporting counter fraud and crime nationally.

The background of the service was outlined to Members and it was confirmed that Tameside was now the sole host of operations following the closure of the Brighton office in September 2015. The management of NAFN had been entrusted to an Officer Executive Board comprised of a maximum of 12 representatives. The Board provided strategic direction and operational management of the service.

An updated Constitution and Governance Handbook, drafted in consultation with Tameside Legal Services, was approved at the annual general meeting held in November 2015. The annual budget for 2016-17 had been set and the expenditure limit to deliver the key activities and objectives and the various income streams from membership fees and grants were detailed. A strategic financial reserve was in place to meet any costs associated with the dissolution of the service.

The organisational structure of the team was outlined and it was confirmed that membership was open to all Local Authorities as well as government agencies, housing associations and other appropriate organisations.

Three risks had been identified for Tameside, which included financial viability, reputational and service delivery to members. The risks and mitigations of these three areas were outlined to the Panel.

RESOLVED:

That the report be noted.

19. LOCAL AUDIT AND ACCOUNTABILITY ACT 2014 - CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS

The Assistant Executive Director (Finance) submitted a report summarising the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017-18 audits.

It was reported that the current transitional arrangements would come to an end on 31 March 2018 prior to which the Council would be able to move to the local appointment of an external auditor. The Council had until December 2017 to make an appointment and a decision on the preferred route was needed by spring 2017.

The three options open to the Council under the Local Audit and Accountability Act 2014 were: to make a stand-alone appointment, set up a joint auditor panel/local joint procurement arrangements and opt-in to a sector led body. The advantages and disadvantages of the three options were outlined to the Panel.

RESOLVED:

- (i) **That the report be noted; and**
- (ii) **That a further report be brought to a future Panel meeting on the preferred approach including details of any costs to be included in future year's budgets.**

20. CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY - FRAUD AND CORRUPTION TRACKER

Consideration was given to a report of the Assistant Executive Director (Finance), which advised Members of the report produced by the Chartered Institute of Public Finance and Accountancy Counter Fraud Centre – Fraud and Corruption Tracker 2015. The report was divided into several sections:-

- Introduction
- Reported Types of Fraud
- Whistleblowing
- Prosecutions
- Counter Fraud and Corruption Resources
- Counter Fraud and Anti-Corruption Plan
- Fraud Cases in London Local Authorities
- Fighting Fraud Locally
- Emerging Threats

The types of fraud, number of cases, values and percentages were highlighted to the Panel, as per table 2 of the report. It was reported that Tameside had recovered £631,000 of overpaid Housing Benefit.

RESOLVED:

That the report be noted.

21. ASHTON CENTRAL MOSQUE (FORMERLY MARKAZI JAMIA MOSQUE) UPDATE

The Assistant Executive Director, Environmental Services, submitted a report highlighting the outstanding issues as part of the relocation agreements and supplemental agreement between Tameside and the Trustees of Ashton Central Mosque.

Members were notified that the transfer of the Mosque to the Trustees had been completed on 1 March 2016.

RESOLVED:

That the report and the completion date of the land transfer be noted.

22. URGENT ITEMS

The Chair reported that there were no urgent items for consideration at the meeting.

CHAIR