

AUDIT AND GOVERNANCE COMMITTEE

14 February 2019 at 6.00 pm

Present: - Councillors Chapman (Chairman), Mrs Oakley (Vice-Chairman), Ambler, Blampied, Brooks, Cates, Dendle, Mrs Porter and Wheal.

396. WELCOME

The Chairman welcomed Members and Officers of the Internal Audit & Finance teams, Kevin Suter (Audit Manager) from Ernst & Young and members of the Independent Remuneration Panel, John Thompson (Chairman), Alan Ladley, Celia Thomson-Hitchcock, Sarah Miles and Andrew Kelly to the meeting.

397. DECLARATIONS OF INTEREST

In view of the nature of the issues to be discussed in respect of Agenda Item 5 (The Independent Remuneration Panel's Eighth Review of the Members' Allowances Scheme) it was recognised that all Members of the Committee had a personal interest in accordance with the Members' Code of Conduct. This did not preclude them from considering the proposals.

398. MINUTES

The Minutes of the meeting held on 15 November 2018 were approved by the Committee as a correct record and signed by the Chairman.

399. THE INDEPENDENT REMUNERATION PANEL'S EIGHTH REVIEW OF THE MEMBERS' ALLOWANCES SCHEME

The Chairman welcomed the Independent Remuneration Panel to the meeting and invited the Chairman of the Panel, John Thompson, to present the Panel's Eighth Review of the Members' Allowances Scheme.

Mr Thompson highlighted the main points of change and the background and rationale behind the review undertaken. He explained that an erratum sheet had been distributed which drew Members' attention to the fact that calculations for the Basic Allowance and the change in SRA payment to the Licensing Committee Chairman had been incorrectly recorded.

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Mr Thompson explained that as a new Panel it had had to work to very tight timescales to conclude this review in time for this meeting. Despite this, and the steep learning curve that the new members of the Panel had had to overcome, each member had brought energy, independence of mind and originality to the process.

The Panel had undertaken interviews with a wide range of Members in addition to reviewing substantial data from the South East Employers and other Local Authorities.

Mr Thompson highlighted the key points to the Committee, these have been summarised below:

- The Basic Allowance – The most commonly expressed views were that some Members did a lot more than others. However, the only potential solution would be to introduce some form of allowance linked to attendance. The legislation that was introduced in 2003 made it clear that the Basic Allowance could not be linked to attendance in this way. The Panel had therefore worked to the requirements of the law and the report explained the justification for their recommendation on the Basic Allowance.
- Special Responsibility Allowances (SRAs) – The Panel took the approach, when making its recommendations, that SRAs were not about ‘people’ they specifically related to the role itself. The Committee was reminded that any Member could renounce all or part of an allowance at any time.
- The Leader of the Council’s SRA – The Panel had focused on the full extent of responsibilities and the hours that this role demanded. They considered it was important to adequately reward the Leader so as to attract strong candidates in the future to this high profile role.

The Chairman proposed to take each recommendation in turn to allow full debate. This approach was agreed by the Committee.

The Committee supported the recommendations put forward by the Panel in terms of Recommendations 1 to 7:

- **Basic Allowance for all Members – recommendation (1)**
- **Special Responsibility Allowances (SRAs) – recommendation (2)**
- **Leader of the Council’s SRA – recommendation (3)**
- **Deputy Leader Remuneration – recommendation (4)**
- **Cabinet Members Remuneration – recommendation (5)**

- **Chairman and Vice Chairman of the Council's SRA – recommendation (6)**
- **Development Control Members SRA – recommendation (7)**

Concern was however expressed in relation to the following recommendations:

Licensing Committee Chairman and Vice-Chairman – Recommendation (8)

The proposal was for the SRA payable to the Chairman of the Licensing Committee to be decreased from £4,000 to £2,000 and for the Vice-Chairman from £1,200 to £600. There was concern at this proposal based on whether the Panel had taken account sufficiently of the workload and training requirements for this Committee, particularly from some recent meetings of the Licensing Sub-Committee that had been complex and contentious. The Panel was therefore asked to review this aspect of the report so it could be reconsidered by the Committee.

Members of the Licensing Committee – Recommendation (9)

The proposal was that the SRA payable to a Member of the Licensing Committee should be abolished and replaced with an allowance of £60 per meeting exceeding half a day in duration also payable to named substitute Members. The Committee received advice from the Chief Executive that the legislation did not allow a meeting allowance for a regular additional responsibility such as Members of this Committee held, as this went against the principle of attendance allowances not being permissible. Further, it was felt that this recommendation did not take account of the mandatory training that Members and substitute Members were required to undertake in order to serve on the Committee. It was therefore proposed to the Panel that they revisit this recommendation and consider an alternative proposal in line with the principles that had been applied to Members of the Development Control Committee.

The Committee supported the Recommendations put forward by the Panel in terms of Recommendations 10 to 19:

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- **Chairman and Vice Chairman of Overview Scrutiny Committee SRA – recommendation (10)**
- **The Co-opted persons allowance – recommendation (11)**
- **Chairman and Vice Chairman of Audit & Governance SRA – recommendation (12)**
- **Chairman and Vice Chairman of Standards Committee SRA – recommendation (13)**
- **Independent Persons meeting allowance – recommendation (14)**
- **Leader of the largest opposition group SRA – recommendation (15)**
- **Leader of the smaller minority groups SRA – recommendation (16)**
- **Allowance paid to minority groups – recommendation (17)**
- **IT Allowance – recommendation (18)**
- **Meeting allowance for Co-opted members and witnesses – recommendation (19)**

Concern was however expressed in relation to the following recommendation:

Carers' Allowance for Members - Recommendation Number 20.

The proposal was that the Carers Allowance of £10 per hour up to a maximum of 20 hours a month be replaced by a Child Care allowance of £10 an hour; the Dependent Adult allowance be linked to the Home Care rate paid by West Sussex County Council and no limit be placed on the number of hours it is claimed for either allowance.

Whilst the Committee commended the Panel on what it was trying to achieve with this recommendation in that it was paying particular reference to its Terms of Reference *'the need to attract and retain Members of appropriate calibre and representative of the demographic make-up of the district'*, it was felt that a complete re-think was needed. This was mainly due to the point that the rate per hour under this current recommendation equated to £18.49 and this had clear budget implications that had not been considered in the Panel's report. Also, the proposed removal of the 20 hour cap that could be claimed was a point for concern as it was felt that a limit was appropriate with a discretion that included that cases above that limit could be considered by a designated Officer. The Committee requested that the Panel reconsider this aspect of the report and report back with further proposals.

At this point, Councillor Wheal proposed that the Panel's review be deferred. In the absence of a seconder this proposal was not debated.

The Chairman summarised that the Committee had supported most of the recommendations within the Panel's report. However, in view of the referral back on three of the recommendations it was then suggested to refer the report back to the Panel asking it to undertake further work and to provide further context and evidence against the three recommendations highlighted.

The Chairman outlined that any scheme proposed for allowances must be appropriate for the Council and affordable in relation to Budget provision.

Based on this, Councillor Wheal proposed this course of action and this was seconded by Councillor Blampied. On this being put to the vote it was declared CARRIED.

The Group Head of Council Advice & Monitoring Officer clarified that deferring the Panel's report would mean that it would not be possible for it to be considered at the next meeting of Full Council on 13 March 2019.

In view of the work to be undertaken and to ensure that Access to Information Rules were abided by, it was proposed that the revised report be resubmitted to a Special Meeting of the Committee to be convened in June/July so that recommendations could be considered at Full Council on 17 July 2019. The Committee and the Panel was advised that this would not prevent the new regime of allowances still being able to be effective from 7 May 2019 as the 2003 Act allowed the Committee to agree that its scheme of allowances be backdated as long as this was within the current financial year.

The Committee then supported the recommendations put forward by the Panel in terms of Recommendations 21 to 33:

- **Regulations to be added to the Members Allowance Scheme – recommendation (21)**
- **List of specified duties to be added to the Members Allowance Scheme – recommendation (22)**
- **The availability of this allowance and the procedure for claiming be more visible – recommendation (23)**
- **Request maternity, paternity and adoption arrangements – recommendation (24)**
- **Town and Parish Council contribution to the Arun District Council Basic Allowance for their Members – recommendation (25)**
- **Special Responsibility payments to be increased – recommendation (26)**
- **Remunerations received by members, Co-opted Members, Independent persons to be linked to Officers' pay annually – recommendation (27)**

- **Travel and Subsistence arrangements and rates – recommendation (28)**
- **Multiple SRA payments – recommendation (29)**
- **Continuous absence of a Chairman or Vice Chairman for two months or more – recommendation (30)**
- **Suspension of allowances – recommendation (31)**
- **The next Review of the Arun District Council Members' Allowances Scheme – recommendation (32)**
- **The new allowances scheme is effective from 7 May 2019 – recommendation (33)**

The Chairman asked the Panel if it wished to present any closing remarks. Mr Thompson responded stating that it was disappointing that the report had not been accepted as this meant that there were only three recommendations requiring additional work. However, speaking on behalf of the Panel it was accepted that the Panel would need to review the recommendations identified and to provide further information to the Committee before any final recommendations could be made to Full Council.

The Chairman thanked the Panel again for its hard work in submitting its report in such a short amount of time.

The Committee then

RESOLVED

That the report of the Independent Remuneration Panel on its Eighth review of the Members Allowances Scheme be deferred to enable the Panel to undertake further work on Recommendations (8), (9) and (20) with a revised report being submitted to a Special Meeting of the Committee, to be convened in June/July 2019 so that recommendations could be reported to the Full Council meeting on 17 July 2019.

400. UPDATE ON PROGRESS AGAINST THE RECOMMENDATIONS FROM THE PARTNERSHIPS AUDIT

In the absence of the Group Head of Policy, the Chief Executive presented this report.

The key highlights were:

- Partnership working had been identified as increasingly important for the future, particularly given the predicted future financial situation for local government. This had been brought into sharp focus by the recent decision of West Sussex County Council to remove funding from voluntary/commissioning organisations involved in homelessness.

- Past Audit Commission guidance emphasised the importance of local authorities understanding who their partners were, the nature of the collaboration, accountabilities and governance arrangements.

- Some work had been completed in 2017 on this Audit at the request of the Committee after the Council's Corporate Management Team (CMT) had agreed a working definition of the term 'partnerships' to facilitate the development of a Partnerships Register and ongoing process for reviewing this.

- Work needed to be completed in reference to the Constitution and what was listed at Part 3, Section 12.0 in terms of whether this was accurate. Work also needed to be undertaken to determine if the definition agreed in 2017 was still valid. Consideration also needed to be given as to where the list in the Constitution should be held and if the Constitution was the appropriate place, given the operational (and potentially changing) nature of the Council's relationships with its partners.

- The Group Head of Policy would clarify the definition with CMT and produce an up-to-date Register of Partners. It was emphasised that this work would be undertaken later in the year, due to the workload of the Group Head of Policy in her planning for the Council's Elections on 2 May 2019.

- It had previously been agreed that following clarity on the definition a number of key actions should be carried out. The Group Head of Policy had reviewed these and was proposing a set of questions to ask relevant Directors/Group Heads, once the agreed list of partners had been identified.

In reviewing the report, the Chairman stated that having met with the Group Head of Policy, ahead of this meeting; he felt that progress was now moving forward, however, he did have some reservations regarding the level of resources available to complete the work required. This comment was noted by the Chief Executive.

Having discussed some elements of Section 1.3 of the report, the Committee noted the report and the update provided.

401. ERNST & YOUNG – AUDIT PLAN & PROGRESS REPORT

The Committee received and noted the report from the Audit Manager at Ernst & Young.

Members were advised that this was the planning report for the 2019/2020 audit focusing on the risks and to ensure that Members were clear about the arrangements for Ernst & Young's audit work.

The key highlights were:

- An overview of the Audit Risks and areas of focus were outlined.
- The Council was required to complete a risk assessment in relation to the improper classification of revenue expenditure as capital expenditure.
- Pension liabilities and land and buildings valuation were highlighted as a standard focus of work that was continuing to be undertaken.
- Housing Revenue Account (HRA) depreciation was material in the financial statements and required a number of assumptions and judgements. In the previous year, errors had been identified above the Council's audit differences threshold. 2017/18 had been the first year where authorities were required to account for depreciation using proper accounting practices, so this was still a relatively new concept. Revised Calculations had been provided by Officers and would be reviewed.
- IFRS 15 Revenue from Contracts with Customers, A new reporting standard had been introduced this year and judgement on the financial statement was expected due to this. A full risk assessment was required to ensure that it has been appropriately implemented by the Council.

In reviewing the report, discussion took place regarding the HRA risk assessment and if it included the Stock Condition survey report findings. It was advised only in so far as they affected the financial statement. It would ultimately fall under the Health and Safety Regulator or Fire service.

The Committee thanked the Manger from Ernst & Young and then,

RESOLVED

That the outline Annual Internal Audit Plan for 2018/19 be approved.

402. ACCOUNTING POLICIES FOR 2018/19 ACCOUNTS

The Committee was asked to consider and agree the Accounting Policies that would be applied to the Statement of Accounts for 2018/19 which would be agreed by the Committee in July 2019

The Financial Services Manager presented her report to the Committee.

The key highlights were:

- As stated in the report the Accounting policies were the specific principles, bases and conventions, rules and practices applied by the Council in preparing and presenting the financial statements. They were based on the Code of Practice on Local Authority Accounting in the United Kingdom which defined proper accounting practice and the Code for International Financial Reporting Standards (IFRS). The objective of the Code was to specify the principles and practices of accounting required to give a 'true and fair view' of the financial position.
- The Committee's attention was drawn to Page 1 of the report (83 of the Agenda) Accruals of Expenditure and Income and advised that this section had been amended to reflect the IFRS 15 Revenue from contracts. The Council had also prepared a working paper to show that the impact of the new standard would not be material to the accounts.
- Page 7 of the report (89 of the Agenda) this had been amended to correctly reflect IFRS 9 Financial Instruments.
- The Accounting Policy for (BIDS) the Business Improvement District scheme was required because of the new Bognor Regis BID.
- An amendment had been made to Page 14 of the report (96 of the Agenda) '*Depreciation is calculated on the following basis*' fourth bullet point removal of "37 years" was required because the useful life of components could change. Further down the page bullet point 6, the sentence needed to read '*The depreciation for HRA dwellings (*remaining useful life for both houses and flats) serves as a proxy for componentisation as the relevant useful lives are calculated by reference to the weighted average of the useful lives of the key components*'. *37 years removed.

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In reviewing the report, the Chairman highlighted that this had been a useful update for the Committee to receive. Of most interest to Members had been the section reporting on the Housing Stock Condition Survey as this was felt this to be a very good way of ensuring that the authority could ensure its responsibilities in the future.

The Committee then

RESOLVED

That the Accounting Policies could be applied to the Statement of Accounts for 2018/2019.

403. CAPITAL STRATEGY

The Financial Services Manager reiterated that this was the first year that the Council had had to provide a Capital Strategy which would develop over time.

In presenting this report, the Financial Services Manager drew Members' attention to some key points:

- The aim of this Strategy was to balance capital expenditure needs and expectations with the limited resources available to the Council.
- It formed the framework for capital investment decisions over the next three years and was closely linked to the Treasury Management Strategy; the Investment Strategy and the Borrowing Strategy.
- Whole life costing for Capital Schemes was required when making capital expenditure decisions by the Council. This meant that any appraisal of a proposed capital project would need to consider not just the initial capital cost but all costs and income streams associated with the project, that were likely to occur in future years, including possible replacement or disposal costs. This was vital to ensure that the Council was not committing itself to future liabilities that were unsustainable.
- Capital expenditure was funded from a variety of sources all of which were extremely limited.
- There were separate capital programmes for the GF and HRA as they were separate funds.

- Housing Revenue Account (HRA) capital programme for 2019/20 and 2021/22 was driven by the approved HRA Business Plan. One of the key priorities of this Plan was the acquisition of 250 new dwellings over the 10 year life of the Plan. This would be funded from '1 for 1' Right to Buy receipts (30%) and borrowing (70%). However a recently published Government consultation paper proposed a number of changes to the way that retained Right to Buy receipts could be used and so it was outlined that this could have significant implications for the planned programme.
- The Council had a core annual programme for the General Fund (GF) which included asset management (all non HRA assets), Information Technology and Disabled Facilities Grants (DFG's). DFG's paid for essential adaptations to help people with disabilities to stay in their own homes – this was entirely funded by Government Grant whereas the Asset Management and Information Technology programmes were funded by revenue contributions.
- As with other local authorities Arun was facing a challenging financial climate and so it was therefore essential that systems were in place to ensure that scarce resources were allocated in the most effective way. High priority would be given to the replacement of business critical IT systems and all new schemes would be subject to rigorous appraisal and would require a sound business case.
- Possible sources of funding for capital schemes were:
 - Grants
 - Section 106 contributions
 - Capital receipts
 - Direct Revenue contributions
 - Borrowing
- Looking at specific resource issues, Grants and Section 106 contributions were generally used to fund specific capital schemes linked to the conditions imposed by the relevant grant or Section 106 contribution. There was little latitude in the way this funding could be applied. It was the Council's Policy to use capital receipts to support the General Fund capital programme. A specified proportion of these receipts would be earmarked for the Property investment Fund (PIF). With the exception of 1 for 1 Right to Buy Receipts which could only be used for new social housing. Revenue contributions were a flexible source of funding, but they could put an immediate strain on the General Fund balance and therefore should only be used to a limited extent. Borrowing would spread the cost over a number of years, however loan servicing costs and the overall level of debt exposure needed to be considered and clearly flagged in a business case.

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The Chairman referred Members to Section 1.2 of the report as this allowed authorities to delegate the detailed management of Treasury Management, including this Strategy, to a Sub-Committee. This responsibility had now been delegated to the Audit and Governance Committee facilitating more active discussion of this Strategy and its implementation, however pointing out that overall responsibility would at all times remain with Full Council.

In considering the report, there was some discussion on the Property Investment Fund and it was agreed by the Committee that as the Property Estates Manager was not present at this meeting that a detailed update should be submitted to a future meeting of the Committee.

The Committee then

RECOMMEND TO FULL COUNCIL

That the Capital Strategy 2019/20 to 2021/21 be approved.

404. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

The Committee received the Treasury Management Strategy Statement and Annual Investment Strategy 2019/2020 report from the Senior Accountant/Treasury & Investment Officer which it was required to consider prior to making recommendations to the next meeting of Full Council.

In presenting this report, the Senior Accountant (Treasury) drew Members' attention to the following key points:

- Treasury Management Reporting - the Council was currently required to receive and approve as a minimum, three main reports each year, which incorporated a variety of policies, estimates and actuals. These reports were required to be adequately scrutinised by the Audit and Governance Committee before being recommended to Full Council.
- The Council could invest in investments that were termed 'alternative investments'. These included, but were not limited to, things such as renewable energy bonds (Solar farms). These were asset backed bonds, offering good returns and would enable the Council to enter new markets, furthering diversification of the Council's investment portfolio with secured investments and enhancing yield. Any investments entered into this type would be subject to a full due diligence review prior to investment.

- As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority would consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. The Council was currently in discussions with auditors regarding feedback that had been requested on the work completed so far.
- Royal bank of Scotland (RBS) ring-fenced was no longer on the Council's lending list.
- The Money Market Funds (MMF) were 'triple A' rated, liquid, and most would now be Low Volatility Net Asset Value (LVNAV). This changed from the previous Constant Net Asset Value (CNAV) as a result of the MMF reform where typically for every pound of principal invested a pound was received back. It was not guaranteed, but offered better protection than using the Variable Net Asset Value (VNAV) MMF's.

In reviewing the report, the Committee asked questions with regard to whether it had any investments with EU banks. Members were referred to Appendix 3 of the report as this contained a detailed list of where all the Council's investments were located.

The Committee then

RECOMMEND TO FULL COUNCIL – That

- (1) the Treasury Management Strategy for 2019/20 be approved;
- (2) the Annual Investment Strategy for 2019/20 be approved;
and
- (3) the Prudential Indicators for 2019/20, 2021/2022 and 2021/22 as contained in Appendix 1 and the body of the report be approved.

405. PROPERTY INVESTMENT FUND (PIF) UPDATE

A verbal update was provided to the Committee by the Chief Internal Auditor in the absence of the Property & Estates Manager.

The key points highlighted were:

- Full Council approved the setting up of a Property Investment Fund (PIF) at its September 2017 meeting as a means of generating income streams to replace the shortfalls in government funding being experienced by the Council. The PIF would not require any external borrowing with funds generated solely through disposal of existing general fund Council owned land and property (75% of these receipts would be passed to the PIF). The fund would be ring fenced and would sit within the Property & Estates budget and the Council would look to pursue the purchase of investment properties on the open market.

As at February 2019:-

- The Council had progressed the sale of Cornfield Close (subject to the granting of planning permission) with an estimated £2.25m of the net receipts to be passed to the PIF.
- With the approval of Full Council, the Council purchased Bognor Regis Arcade for c.£1.9M. This site was generating revenue for the Council and the potential refurbishment and use of the upper floors was being investigated.
- Other General Fund assets were under review and any potential sales would be advised to Members as they progressed.

The Committee noted the updates provided but requested that a further update from the Property & Estates Manager be submitted to a future meeting of the Committee.

406. ANNUAL INTERNAL AUDIT PLAN

The Chief Internal Auditor presented the Annual Internal Audit Plan 2019/2020 and advised that each year Internal Audit was required to develop this plan for the following financial year, for agreement by the Audit & Governance Committee. The development of this plan provided the opportunity for the Chief Internal Auditor, in consultation with senior managers and Members of the Audit & Governance Committee, to determine where best the limited resources available to Internal Audit should be directed.

In presenting this report, the Chief Internal Auditor drew Members' attention to the following key points:

- The section continued to operate with 2 Full Time Equivalent (FTE) focussing on mandatory and high priority work. Now that the Council's revised structure/operations were largely finalised, consideration would be given to resourcing in the future.

- The start of 2019 saw that there were still a number of Council strategies to be progressed such as Customer Access and Digital, etc. There also remained considerable uncertainty regarding a number of areas:
 - The Councils ongoing financial position
 - The impact of Brexit arrangements
 - Potential changes to the political make-up of the Council, dependent upon the result of the 2 May 2019 Elections.

It was outlined that all of the above points might require further operational changes to meet new and changed requirements or legislation. This Plan was therefore for the agreement of the Committee and it was highlighted that there would need to be considerable flexibility through the year in terms of assigning resources to specific tasks. It was currently anticipated that work would be required at some stage in the year on:

- The Housing Service after the restructure had been completed.
- The Office 365 migration project was due to start in May 2019. It was explained that this would be the second phase of this project implementation and would be of higher risk to the Council due to data being moved to the Cloud, with security and data protection implications.
- The Council's Medium Term Financial Strategy, giving consideration to resilience and sustainability (linked to the issue of CIPFA's Financial Management Code) which was expected later in 2019.

The Committee then

RESOLVED

That the Annual Internal Audit Plan for 2019/2020 be approved.

407. REVISED STRATEGIC RISK REGISTER 2018/19

In presenting this report (as a continuation from the 15 November 2019 meeting), the Chief Internal Auditor drew Members' attention to items 9 and 13 of the risk register – as set out below:

- Risk Item 9 – Information Governance & Data Security – the updates were accepted by the Committee. The Chief Internal Auditor explained that the risk had been reduced, as considerable work had been undertaken by the Council prior to the introduction of the General Data Protection Regulations (GDPR) in May 2018.

- Risk Item 13 - Cybersecurity – it was explained that Government advice stated that it was not a case of ‘IF’ but a case of ‘WHEN’ Councils would suffer such attacks. The Council’s ICT area was very aware of this and the Council had recently received £10k of funding as a result of the LGA Cybersecurity Stocktake which would allow the engagement of a consultant to assist in risk assessing this area. The Committee accepted the points raised.

In debating this report, a discussion took place on the issue of Cyber-attacks and in particular the attack on the NHS which was understood to have been caused by out-of-date servers and a lack of adequate security patches being applied. It was confirmed that the maintaining and patching of the Council’s servers formed part of the recently approved ICT Strategy.

The Chairman concluded the update at this point advising that it would be the role of the Committee to continue to receive regular updates on the Strategic Risk Register so that it could assess progress and realigned risks.

The Committee then noted the update provided.

408. PROGRESS AGAINST THE AUDIT PLAN

The Committee received a report from the Chief Internal Auditor, which monitored the delivery of progress made against the agreed 2018/2019 Internal Audit Plan.

In presenting this report, the Chief Internal Auditor drew Members’ attention to the following key points:

- An outline Audit Plan had been presented to and approved by the Committee at its February 2018 meeting. The aim of the Plan was to ensure that mandatory work had been completed and that there was appropriate involvement with the progress of the 2020 Vision initiative and to ensure that audit work focused on the priority / highest risk areas identified. The report identified the main areas of work undertaken by the Internal Audit section.
- Recent work has focussed on key controls testing of the main financial systems (linked to external audit requirements)
- A considerable amount of work had been undertaken on the National Fraud Initiative. The annual Council Tax Single Person Discount (SPD) exercise reports had been received in December 2018 and were currently being worked on, prior to any queries being referred to the Revenues team for review. The main 2-yearly exercise (including Benefits, licensing, purchase ledger, Housing,

etc.) information was also under way with reports reviewed as they were received from the Cabinet Office. It was outlined that an update on the Council's counter-fraud work would be submitted, as part of the annual report, to the meeting of the Committee in July 2019.

The Committee then noted the update provided.

409. INFORMATION / ADVISORY DOCUMENTS RECEIVED

The Committee received and noted Ernst & Young's Local Government Audit Committee Briefing.

410. FUTURE WORK PLAN FOR THE AUDIT & GOVERNANCE COMMITTEE

The Committee reviewed the rolling Work Plan for 2019/20.

It was agreed that further updates be added for the Committee's November meeting on the Property & Investment Fund and the progress of the findings of the Partnerships Audit, as discussed earlier on in the meeting.

It was also suggested by a Member of the Committee that they should meet more regularly in the new municipal year. The Chairman advised that the new administration would need to take this comment into consideration. In addition to this the Committee Services Manager explained to the Committee that the Calendar of Meetings for 2019/20 had been approved by Full Council on 7 November 2018. She also highlighted that there was now the need to convene a Special Meeting of the Committee in June/July 2019 to reconsider the Independent Panel's Eighth Review of the Members' Allowances Scheme.

The Committee then noted the updates provided.

411. VOTE OF THANKS

As this was the last meeting of the Committee in this Municipal Year, the Chairman stated that he wished to take this opportunity to thank all Members of the Committee and in particular any Members that might not be standing for re-election at the District Elections on 2 May 2019.

He especially thanked the Committee's Vice-Chairman, Councillor Mrs Oakley, for her many years' service, including her past Chairmanship of the Committee.

(The meeting concluded at 20.03 pm)