

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE
WAS HELD ON 23 MARCH 2017
SUBJECT TO APPROVAL**

Councillors; Allen, Ms Ballard (P), Beavis, Carter (P), Chegwyn (P), Mrs Cully (P), Mrs Forder (P), Mrs Furlong, Mrs Jones (P), Mrs Morgan (P), Mrs Prickett (P), Scard (P)

It was reported that in accordance with Standing Order 2.3.6, Councillors Burgess, Hook, and Murphy had been nominated to replace Councillors Allen, Beavis and Mrs Furlong for this meeting.

35. APOLOGIES

Apologies for inability to attend the meeting were submitted on behalf of Councillors Allen, Beavis, and Mrs Furlong.

36. DECLARATIONS OF INTEREST

There were no declarations of interest.

37. MINUTES

RESOLVED: That the minutes of the meeting of the Standards and Governance Committee held on 24 November 2016 be approved and signed by the Chairman as a true and correct record.

38. DEPUTATIONS

There were no deputations

39. PUBLIC QUESTIONS

There were no public questions.

PART II

40. CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2015-16

Consideration was given to the certification of claims and returns annual report 2016 which summarised the results of the work carried out by the Council's external auditors Ernst & Young.

Members of the Committee were advised that the audit work had been completed and certified and that section 1 of the report outlined the results of the 2015-16 certification work and highlighted issues that had been identified. It was confirmed by Ernst & Young that the issues identified represented a very small percentage of the total value of the subsidy claimed.

Members of the Committee were advised that fees for certification and other returns work were summarised in section 2 of the report and that the housing benefits subsidy claim fees for 2015-2016 had been published by the Public Sector Audit Appointments (PSAA) in March 2015 and were now available on their website.

A Member asked for clarification on the extended testing processes and was advised by David White that a sample of 20 cases were tested and that if any error was identified additional testing of cases followed.

Following a question from a Member in relation to the underpayment in Housing Benefit, Helen Thompson advised that this had been corrected and an imbursement would be made to the claimant.

Member's congratulated the diligence of officers in keeping the error rates on cases as low as possible.

Members were advised by Ernst and Young that the Council's indicative certification fee for 2016/17 had been set as a scale fee and reported that from 2018/19, the Council would be responsible for appointing their own auditor and that this was likely to include making their own arrangements for the certification of the housing benefit subsidy claim in accordance with the requirements established by the Department for Work and Pensions (DWP).

RESOLVED: That the report be noted.

41. AUDIT PLAN 2016/2017

Consideration was given to the 2016/17 Audit Plan which summarised the initial assessment of the key risks driving the development of an effective audit for the Council and outlined the planned audit strategy in response to those risks.

Ernst & Young informed Members that there had been no change to the criteria on which the assessment of the Council's arrangements to secure value for money would be based, and that the approach would focus on:

- reviewing how new arrangements had worked in practise since their inception;
- reviewing the quality of information provided to Committees, Boards and Full Council to enable Members to make informed decisions since the new arrangements came into place; and
- assessing the financial impact of the arrangements both in terms of direct revenue savings and the Council's most recent medium term financial planning.

A Member asked for clarification on reporting fraud. Helen Thompson advised that Ernst & Young were prescribed by legislation in terms of what external audit are required to investigate, specifically the Local Audit and Accountability Act 2014 and guided by the PSAA. Depending on the nature of the complaint it was felt that in the first instance allegations of fraud should be brought to the attention of Internal Audit and the Police for investigation. External Audit would give appropriate consideration to any matters drawn to their attention, and would advise whether or not they were the appropriate people to investigate an allegation of fraud.

RESOLVED: That

- a) The audit plan and the risks identified in the auditors work on the audit opinion and value for money conclusion, and their planned response to those risks be noted; and
- b) Audit Plan for 2016/17 be recommended to the Policy and Organisation Board as those charge with governance.

42. QUARTERLY INTERNAL AUDIT MONITORING STATEMENT FROM 1ST OCTOBER 2016 – 9TH MARCH 2017

Consideration was given to the report of the Head of Internal Audit & Risk Assurance which tabled the performance of the Internal Audit Section in 2016/17 (1st October 2016 – 9th March 2017) against the agreed audit plan.

Members were informed of the fraud prevention work being carried out and were provided with an update on the team and their development and provision of Audit Services to Test Valley Borough Council.

A Member asked for clarification on how many Officers held Council Credit Cards and the limits in place to control usage. The Head of Internal Audit and Risk Assurance advised Members that there were strong controls on financial limits and that restrictions were in place that meant Officers could not draw out cash. He further added that the cards were not currently contactless and that he would send an email to Members of the Committee detailing how many officers held cards.

A Member asked for the cost of upgrading all the car parking machines to allow for the new £1 coin in the Borough and the Head of Internal Audit and Risk Assurance advised that he would send an email detailing this information. The Member further highlighted the need for the signage on Housing Car Parks to be updated (as per the internal audit report). The Head of Internal Audit and Risk Assurance advised that he would contact Streetscene to implement.

RESOLVED: That the Standards and Governance Committee note the fraud prevention work, developments in the team and provision of Services to Test Valley Borough Council since the last meeting.

43. INTERNAL AUDIT PLAN 2017/18

Consideration was given to the report of the Head of Internal Audit & Risk Assurance which provided the Standards and Governance Committee with the planned annual coverage of the Internal Audit resource for 2017/18.

RESOLVED: That the Internal Audit Plan for 2017/18 as attached in Appendix One be approved.

44. ANY OTHER BUSINESS

There was no other business

The meeting concluded at 18:38.

CHAIRMAN