

Present:	Councillor Geoff Ellis (<i>in the Chair</i>)
Councillors:	Thomas Dyer, Gary Hewson, Jackie Kirk, Rebecca Longbottom and Laura McWilliams
Independent Member:	Jane Nellist
Apologies for Absence:	Councillor Ronald Hills

9. Confirmation of Minutes -13 June 2019

RESOLVED that the minutes of the meeting held on 13 June 2019 be confirmed.

10. Declarations of Interest

No declarations of interest were received.

11. External Audit-Annual Governance Statement (To Follow)

Due to resourcing issues Mazars have been unable to complete the audit of the Statement of Accounts and as such had not yet issued their IAS260 report. The audit was now scheduled for completion during August with an additional Audit Committee to be scheduled for early September.

Members questions and comments:

Question: Members asked whether the External Auditors who came into City Hall were sufficiently trained?

Response: Mazars employed people with a mixture of knowledge and experience, moving forward training requirements would be reviewed.

Question: Members asked why staff were not trained to deal with Local Authorities?

Response: Training that needed to be carried out was complete. Mazars had been hit with unforeseen issues.

Question: Members asked when these unforeseen issues had first been recognised?

Response: The issues had first been recognised in the last four weeks.

Question: Members asked how it impacted on other Local Authorities?

Response: It was speculated to be around 35 authorities across all of the national six suppliers that would not have their audits completed by 31st July.

Comment: The External Audit Annual Governance Statement being delayed was not a reflection on the Financial Services Team. The Financial Services Team had cancelled leave to try and get the audit completed by the 31st July.

Question: Members asked whether Mazars could confirm the wording that needed to be placed on the website?

Response: The wording had been drafted in a letter and would be sent to officers tomorrow morning.

Comment: A verbal update was to be presented to Executive on Monday night and a communications response had been drafted.

RESOLVED that a separate meeting was to be arranged for the first two weeks in September for the External Audit Annual Governance Statement.

12. Statement of Accounts 2018/19

This item had been deferred until the External Audit Annual Governance Statement had been received.

13. Internal Audit Progress Report

John Scott, Audit Manager:

- a. presented the Internal Audit Progress Report to the Audit Committee, incorporating the overall position reached so far, and summarised the outcomes of audits completed during the period
- b. highlighted that the Internal Audit Progress Report covered the following areas:
 - Progress against the plan
 - Summary of Audit work
 - Implementation of Audit Recommendations
 - Current areas of interest relevant to the Audit Committee
- c. invited members questions and comments.

Question: Members asked that given the need to cut budgets and services continually being cut, whether there were going to be more issues with work being completed.

Response: All local Authorities were in the same situation. Contingencies had been used but would need to continue to monitor the audit plan. We are reviewing the plan in September and will assess if any audits need to be deferred to the following year High risk issues would still be looked at.

RESOLVED that the content of the latest Internal Audit Progress Report for 2018/19 be noted.

14. Internal Audit Recommendation Follow Up

John Scott, Audit Manager:

- a) presented an update to the Audit Committee, on outstanding recommendations and recommendations over 12 months old.
- b) explained that members were concerned with the length of time some agreed actions were taking to implement and so it was agreed that a separate report highlighting recommendations older than 12 months would be provided and managers would attend for the very oldest reports.

- c) provided a report to highlight recommendations older than 12 months to Audit Committee
- d) invited members questions and comments.

Question: Members asked whether bringing managers such as the IT Manager to Audit Committee made a difference to the implementation of recommendations and whether the committee would be able do anything to help.

Response: Some recommendations were showing as outstanding but had had a lot of work done on them. Some of the issues that came under IT were not always down to the core IT team, IT moved at a faster pace with technology than any other department which meant that other work may have to be prioritised and some actions become superseded

Comment: The IT Team had had a lot of work to carry out including a duplicate system at Hamilton House which took a lot of time. Recommendations that provided more risk to the authority were being worked on first.

RESOLVED that that Audit Recommendations older than 12 months were received and reviewed.

15. Fraud and Error Annual Report (2018/19)

John Scott, Audit Manager:

- a) provided a report to Audit Committee to update on Counter Fraud arrangements.
- b) highlighted areas of CoIC Progress in 2018/19 which included:
 - Counter Fraud Strategy updated (Dec 18)
 - Updated Money Laundering Policy (Dec 18)
 - Achieved a high proportion (70%) of fraud e-learning by employees and also rolled out to members
 - Updated fraud risk register
 - Obtained tenancy fraud matching data and commenced review (April 19)
 - Continued to tackle housing fraud cases (sub-letting and non-occupation)
 - Submitted data and started work on NFI (national Fraud Initiative) matches
 - Undertaken the successful Council Tax SPD project for CoIC/NKDC (566 removals for CoIC)
 - Continued to work with DWP (SFIS) on HB fraud referrals
 - Updated the Benefit/CTS fraud, sanctions and prosecutions policy
 - Implemented the new Verification of Earnings and Pensions (VEP) system which replaced the Right Benefit Initiative (RBI)
 - Started work with LCFP on the next Council Tax SPD and CTS fraud project
 - Started to work on a possible data matching service for Small Business rates relief

- In partnership with the County Council managed the whistleblowing referrals
- Made the City of Lincoln Council a 'friends against scams' organisation

c) Listed other CoIC Specific Priorities for 2019/20:

- Tenancy Fraud – work with Housing to complete matched
- NFI – work with teams to complete matches
- Fraud training (residual and new staff members)
- Identity fraud – work with teams on best practice
- Scam busters/friends against scams – publicise and roll out to be completed
- Money laundering – risk assessment
- Update Counter Fraud risk register
- Health check – assessment against good practice
- Fraud policy updates – anti-bribery
- Whistleblowing/fraud reporting best practice and publicity
- CIPFA fraud return
- Possible data matching service for Small Business rates relief
- Lincolnshire Resilience Forum/MHCLG Cyber Resilience Group and related exercises.

d) invited members questions and comments.

RESOLVED that the report be considered.

16. Audit Committee Work Programme 2019/20

RESOLVED that the work programme be agreed.