

MEMBERS INTERESTS 2012

A Member with a disclosable pecuniary interest in any matter considered at a meeting must disclose the interest to the meeting at which they are present, except where it has been entered on the Register.

A Member with a non pecuniary or pecuniary interest in any business of the Council must disclose the existence and nature of that interest at commencement of consideration or when the interest becomes apparent.

Where sensitive information relating to an interest is not registered in the register, you must indicate that you have an interest, but need not disclose the sensitive information.

Please tick relevant boxes

Notes

	General		
1.	I have a disclosable pecuniary interest.	<input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 below</i>
2.	I have a non-pecuniary interest.	<input type="checkbox"/>	<i>You may speak and vote</i>
3.	I have a pecuniary interest because it affects my financial position or the financial position of a connected person or, a body described in 10.1(1)(i) and (ii) and the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest or it relates to the determining of any approval consent, licence, permission or registration in relation to me or a connected person or, a body described in 10.1(1)(i) and (ii) and the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest	<input type="checkbox"/> <input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i> <i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i>
4.	I have a disclosable pecuniary interest (Dispensation 16/7/12) or a pecuniary interest but it relates to the functions of my Council in respect of: (i) Housing where I am a tenant of the Council, and those functions do not relate particularly to my tenancy or lease. (ii) school meals, or school transport and travelling expenses where I am a parent or guardian of a child in full time education, or are a parent governor of a school, and it does not relate particularly to the school which the child attends. (iii) Statutory sick pay where I am in receipt or entitled to receipt of such pay. (iv) An allowance, payment or indemnity given to Members (v) Any ceremonial honour given to Members (vi) Setting Council tax or a precept under the LGFA 1992	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i>
5.	A Standards Committee dispensation applies (relevant lines in the budget – Dispensation 20/2/13 – 19/2/17)	<input type="checkbox"/>	<i>See the terms of the dispensation</i>
6.	I have a pecuniary interest in the business but I can attend to make representations, answer questions or give evidence as the public are also allowed to attend the meeting for the same purpose	<input type="checkbox"/>	<i>You may speak but must leave the room once you have finished and cannot vote</i>

'disclosable pecuniary interest' (DPI) means an interest of a description specified below which is your interest, your spouse's or civil partner's or the interest of somebody who you are living with as a husband or wife, or as if you were civil partners and you are aware that that other person has the interest.

Interest

Prescribed description

Employment, office, trade, profession or vocation

Any employment, office, trade, profession or vocation carried on for profit or gain.

Sponsorship

Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.

	This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

"body in which the relevant person has a beneficial interest" means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest; "director" includes a member of the committee of management of an industrial and provident society;

"land" excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income; "M" means a member of a relevant authority;

"member" includes a co-opted member; "relevant authority" means the authority of which M is a member;

"relevant period" means the period of 12 months ending with the day on which M gives notice to the Monitoring Officer of a DPI;

"relevant person" means M or M's spouse or civil partner, a person with whom M is living as husband or wife or a person with whom M is living as if they were civil partners;

"securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

'non pecuniary interest' means interests falling within the following descriptions:

- 10.1(1)(i) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) Any body (a) exercising functions of a public nature; (b) directed to charitable purposes; or (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (iii) Any easement, servitude, interest or right in or over land which does not carry with it a right for you (alone or jointly with another) to occupy the land or to receive income.
- 10.2(2) A decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a connected person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision.

'a connected person' means

- (a) a member of your family or any person with whom you have a close association, or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph 10.1(1)(i) or (ii).

'body exercising functions of a public nature' means

Regional and local development agencies, other government agencies, other Councils, public health bodies, council-owned companies exercising public functions, arms length management organisations carrying out housing functions on behalf of your authority, school governing bodies.

A Member with a personal interest who has made an executive decision in relation to that matter must ensure any written statement of that decision records the existence and nature of that interest.

NB Section 21(13) of the LGA 2000 overrides any Code provisions to oblige an executive member to attend an overview and scrutiny meeting to answer questions.

AGENDA ITEM: 4

AUDIT AND GOVERNANCE COMMITTEE

HELD: 29 SEPTEMBER 2015

Start: 7.00pm

Finish: 8.10pm

PRESENT:

Councillors:

Bullock (Chairman)

Mrs Baybutt Mee
Blane Pendleton
Delaney Pope
Dereli Whittington
Gagen Wright

Officers:

Borough Treasurer (Mr M Taylor)
Borough Solicitor (Mr T Broderick)
Audit Manager (Mr M Coysh)
Principal Member Services Officer (Mrs S Griffiths)

In attendance:

Paul Thompson of Grant Thornton (External Auditors)

14. APOLOGIES

Apologies for absence were submitted on behalf of Councillor Pryce-Roberts.

15. MEMBERSHIP OF THE COMMITTEE

In accordance with Council Procedure Rule 4, the Committee noted the termination of membership of Councillors G Hodson and L Hodson and the appointment of Councillors Delaney and Wright for this meeting only, giving effect to the wishes of the Political Groups.

16. DECLARATIONS OF INTEREST

There were no declarations of interest.

17. MINUTES

RESOLVED

That the minutes of the last meeting of the Committee held on 30 June 2015 be approved as a correct record and signed by the Chairman.

18. GRANT THORNTON - AUDIT PLAN FINDINGS REPORT

Consideration was given to the report of the Borough Treasurer, as contained on pages 135 – 136 and 233 - 264 of the Book of Reports, which set out the report received from the External Auditors setting out their findings on the audit of the accounts and value for money.

The Chairman invited Paul Thompson from Grant Thornton (External Auditors) to present the report to the Committee.

RESOLVED That the report be noted.

19. APPROVAL OF STATEMENT OF ACCOUNTS

Consideration was given to the report of the Borough Treasurer, as contained on pages 137 – 142 and 265 - 360 of the Book of Reports, which sought approval of a Letter of Representation and the Council's Annual Statement of Accounts.

RESOLVED A That the Letter of representation set out in Appendix 1 to the report be endorsed.

 B That the Statement of Accounts set out in Appendix 2 to the report, be approved.

20. INTERNAL AUDIT ACTIVITY - QUARTERLY UPDATE

Consideration was given to the report of the Borough Treasurer, as contained on pages 143 - 150 of the Book of Reports, which advised of progress against the 2015/16 Internal Audit Plan.

The Audit Manager advised that 36% of the items were currently in progress compared with 38% for the same period in 2014/15.

During the ensuing discussion Members raised questions regarding the item payroll - variations to pay and the Audit Manager gave an undertaking that a further update on this item together with the revenues reconciliations item will be submitted to the meeting of the Committee on 26 January 2016.

RESOLVED That progress in the year to date be noted.

21. ANNUAL REVIEW - ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

Consideration was given to the report of the Borough Treasurer, as contained on pages 151 - 168 of the Book of Reports which provided a summary of the fraud, bribery and corruption issues facing the Council and the action being taken to deal with them.

Comments and questions were raised in respect of the following items within the "Fraud Self-Assessment Checklist":-

- General (Controls/procedures in regard to bogus e-mails etc.)
- Fighting Fraud with reduced resources (implementation of SFIS/DCLG challenge funding)

- RESOLVED
- A. That the self-assessment of fraud and corruption issues, as set out in Appendix 1 to the report, be noted.
- B. That the Counter Fraud Plan, as set out in Appendix 2 to the report, be endorsed.

22. FRAMEWORK FOR DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT

Consideration was given to the joint report of the Borough Solicitor and Borough Treasurer, as contained on pages 169 – 200 & 361 of the Book of Reports, which advised Members of the consultation undertaken by the CIPFA/SOLACE Joint Working Group on Good Governance in Local Government on the revised framework for delivery of good governance in local government.

Members were advised that the report had been considered by the Standards Committee at its meeting on 17 September 2015 and the minute of that meeting was circulated.

During the ensuing discussion Members raised questions/queries in relation to the principle within the consultation relating to Implementation of good practices in transparency, reporting and audit in order to deliver effective accountability.

- RESOLVED
- That the resolution of the Standards Committee as set out in Appendix 3 to the report be noted.

23. REGULATION OF INVESTIGATORY POWERS ACT - ANNUAL SETTING OF THE POLICY AND REVIEW OF USE OF POWERS

Consideration was given to the report of the Borough Solicitor on the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA) and presented a revised RIPA Policy document.

A revised report was circulated and contained on pages 363 to 365 of the Book of Reports.

RESOLVED That the Council's RIPA Activity be noted.

24. WORK PROGRAMME

Consideration was given to the Committee's work programme as set out at page 361 of the Book of Reports.

It was proposed that future topics for training sessions would be "National Budget – Implications for tenants and HRA" for January 2016 in place of "Housing Options Process" and Procurement for September 2016.

RESOLVED A. That the topics for the following training sessions be approved.

January 2016 – National Budget – Implications for Tenants and HRA
September 2016 - Procurement

B. That the Work Programme as revised (taking account of A. above) be approved.

.....
CHAIRMAN



AGENDA ITEM: 5

**AUDIT AND GOVERNANCE:
26th January 2016**

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

**Contact: Marc Taylor (Extn. 5092)
(E-mail: Marc.Taylor@westlancs.gov.uk)**

SUBJECT: ANNUAL AUDIT LETTER

Wards affected: Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the Grant Thornton Annual Audit Letter for the Year Ended 31st March 2015.

2.0 RECOMMENDATION

2.1 That the Letter be considered and that any questions on its contents be raised with the External Auditors at the meeting.

3.0 BACKGROUND

3.1 Each year our External Auditors produce an Annual Audit Letter. A copy of this year's Letter has been included as the Appendix to this report. The Letter provides an overall summary of the auditor's assessment of the Council, based on all of the work that they have undertaken over the last year.

4.0 CURRENT ISSUES

4.1 The Annual Audit Letter confirms that:

- An unqualified opinion has been given on the accounts, which means that they provide a true and fair view of the Council's income and expenditure for the year and its financial position as at 31 March 2015
- the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources

4.2 The Annual Audit Letter also confirms that the audit fee charged for the year was £57,428, which was in line with the original audit plan.

4.3 Our external auditors will be attending the meeting and will be able to answer any questions that Members may have on the Letter.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

6.0 RISK ASSESSMENT

6.1 The Annual Audit Letter is an integral part of the Council's internal control framework and provides assurance to Members that the Council is operating effectively.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendix

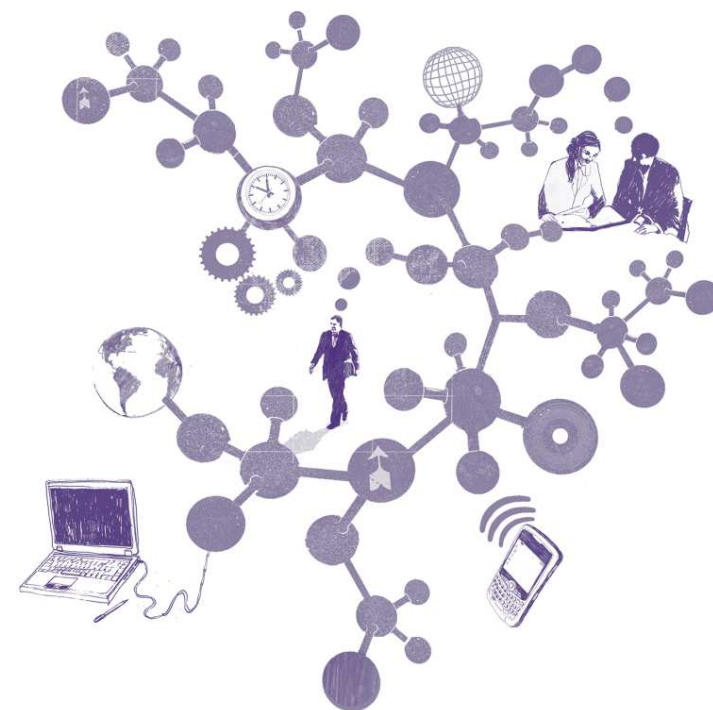
Annual Audit Letter

The Annual Audit Letter for West Lancashire Borough Council

Year ended 31 March 2015

26th October 2015

Karen Murray
Engagement Lead
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E karen.l.murray@uk.gt.com



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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at West Lancashire Borough Council ('the Council') for the year ended 31 March 2015.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 24th March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments Limited.

Financial statements audit (including audit opinion)

We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 29th September 2015 to the Audit & Governance Committee. The key messages reported were:

- We anticipated providing an unqualified opinion on the financial statements.
- We identified no adjustments affecting the Council's reported financial position.
- The accounts presented for audit were accurate and well presented

We issued an unqualified opinion on the Council's 2014/15 financial statements on 29th September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.

Looking forward

The Council will continue to face a number of challenges in to 2015/16 and beyond and include:

- Ensuring that appropriate plans are in place to value transport infrastructure assets in accordance with the Code of Practice on Transport Infrastructure Assets from 2016/17 onwards. This requirement is likely to result in significant changes to local authority financial statements with estimates of the cumulative impact nationally ranging from £200 - £400bn. We will continue to work with the Council as we progress towards the implementation date. We will discuss with you the issues arising and the plans you put in place to address these matters.

Key messages continued

	<ul style="list-style-type: none"> Meeting the significant challenges brought about by the requirement to bring forward the accounts publication date from 30 September to 31 July for the 2017-18 accounts and onwards. Moving the timetable forward by two months will require the Council to review its final accounts closedown processes. We will work with the Council to agree a suitable timetable and help identify key actions to achieve the required outcome.
Value for Money	<p>We issued an unqualified Value for Money conclusion on 29 September 2015.</p> <p>The Council continues to demonstrate good financial performance, despite the financial and demographic pressures facing Local Government. There are good financial planning and review processes in place, and a track record of delivering financial plans and savings. However, there are financial pressures in delivering the Business Plan from 2016/17 onwards. Looking ahead over the next two years, on-going reductions in government funding, together with cost pressures from inflation and new commitments, will require the Council to continue to explore innovative ways to deliver services, as part of a savings programme of some £2.126m over 2016/17 and 2017/18.</p> <p>The Executive and Senior Management demonstrate clear leadership and challenge to prioritise the Council's resources. The Council continues to work well with partners across Local Government to prioritise resources effectively and deliver efficiencies. The agreements with BT Lancashire Services and Wigan MBC are examples of the partnership model working to deliver support services. The Council is also exploring options to work innovatively to deliver key elements of the agenda, particularly with around economic regeneration and housing across the Borough.</p>
Certification of housing benefit grant claim	<p>Work on the Housing Benefits Subsidy return is underway and we expect to complete this in time for the certification deadline of 30 November.</p>
Audit fee	<p>Our fee for 2014/15 was £57,428 excluding VAT which was in line with our planned fee for the year. The scale fee for our work to certify the Housing Benefit Subsidy return is £14,450 (excluding VAT). Further detail is included within appendix A.</p>

Appendix A: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

Fees for audit services

	Per Audit plan £	Actual fees £
Audit Fee	57,428	57,428
Housing benefit subsidy certification fee (*)	14,450	14,450
Total audit fees	71,988	71,988

Grants Certification Fees

The fee shown for the Housing Benefit Subsidy return is the scale fee. We will confirm the final fee on completion of the work.

Reports issued

Report	Date issued
Audit Plan	24th March 2015
Audit Findings Report	29th September 2015
Certification Report	Due January 2016
Annual Audit Letter	19th October 2015



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AGENDA ITEM: 6

AUDIT AND GOVERNANCE COMMITTEE:

26 January 2016

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

**Contact for further information: Marc Taylor (Extn. 5092)
(E-mail: marc.taylor@westlancs.gov.uk)**

SUBJECT: CERTIFICATION LETTER

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To receive details of our External Auditor's findings from their certification of 2014/15 claims and returns.

2.0 RECOMMENDATION

- 2.1 That the findings be considered and that any questions be raised with the Grant Thornton representatives who will be attending the meeting.

3.0 BACKGROUND

- 3.1 The Council is responsible for compiling grant claims and returns in accordance with the requirements and timescales set by government departments. Our external auditor certified one claim for the financial year 2014/15 relating to expenditure of £30m.

4.0 FINDINGS

4.1 Details of the external auditor's findings are included in their letter which is attached as an appendix to this report. Some of the key messages from this letter include:

- There were no issues arising from the certification work that need to be highlighted for the attention of Members
- The Council has appropriate arrangements in place to compile complete, accurate and timely claims and returns for audit certification

4.2 Our external auditors will be attending the meeting and will be able to answer any questions that Members may have on the Letter.

5.0 RISK ASSESSMENT

5.1 The work that our External Auditors undertake is an integral part of the Council's internal control framework and provides assurance to Members that the Council is operating effectively.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have a direct impact on members of the public, employees, elected members and/or stakeholders. Therefore no equality impact assessment is required.

Appendix

Certification Letter

Mr M Taylor
Borough Treasurer
West Lancashire Borough Council
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Grant Thornton UK LLP
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8 January 2016

Dear Marc

Certification work for West Lancashire Borough Council for year ended 31 March 2015

We are required to certify certain claims and returns submitted by West Lancashire District Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015

We have certified one claim for the financial year 2014/15 relating to expenditure of £30 million. Further details of the claim certified are set out in Appendix A.

There are no issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims and returns for audit certification.

The indicative fee for 2014/15 for the Council is based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification under the Audit Commission regime (such as the national non-domestic rates return, pooling housing capital receipts return) have been removed. The indicative scale fee set by the Audit Commission for the Council for 2014/15 is £11,195.

Yours sincerely

For Grant Thornton UK LLP

Chartered Accountants

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Appendix A - Details of claims and returns certified for 2014/15

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	£30,002,175	Yes	+ £25,368	Yes	<p>We made four amendments to the claim. The amount of subsidy payable increased as a result of one of these amendments.</p> <p>This related to a reclassification of the type of overpayment to a different cell on the claim. The change meant that a higher level of subsidy was payable to the Council.</p> <p>The other amendments related to an incorrect assessment of income and the incorrect recording of the number of people living a property.</p> <p>We reported the findings of our testing to the Department for Work and Pensions.</p>

Appendix B: Fees for 2014/15 certification work

Claim or return	2013/14 fee (£)	2014/15 indicative fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim	14,560	11,195	11,195	3,365	The indicative fee for 2014/15 for the Council is based on the final 2012/13 certification fees and has varied in line with that original fee.
Total	14,560	11,195	11,195	3,365	



AGENDA ITEM: 7

AUDIT AND GOVERNANCE COMMITTEE:

26 January 2016

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

**Contact for further information: Mr M.Coysh (Extn. 2603)
(E-mail: mike.coysh@westlancs.gov.uk)**

SUBJECT: INTERNAL AUDIT ACTIVITY – QUARTERLY UPDATE

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To advise of progress against the 2015/16 Internal Audit Plan.
- 1.2 To summarise audit work completed since the previous update.

2.0 RECOMMENDATION

- 2.1 That Members note progress in the year to date.

3.0 BACKGROUND

- 3.1 This committee approved the 2015/16 Internal Audit Plan and the Internal Audit Manager brings written updates on progress against it to each meeting of this Committee.
- 3.2 The report summarises progress to the end of December. This work will inform the overall opinion in the Internal Audit Annual Report that will be presented to this Committee after the end of the financial year.
- 3.3 The appendix reports assurance provided by work concluded in the period and updates Members on any issues previously drawn to this Committee's attention.

4.0 INTERNAL AUDIT ACTIVITY TO DATE

- 4.1 An appendix summarising progress to date and any significant issues arising is attached and the Internal Audit Manager will attend the meeting to present the report should Members have any questions.
- 4.2 Progress against the plan to date is satisfactory with 68% of audits in progress compared to 69% for the same period in the previous year.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 All activity referred to in this report is covered by existing budget provisions.

7.0 RISK ASSESSMENT

- 7.1 This report summarises progress against Internal Audit's work programme to date. Internal Audit's work is a key source of assurance to this Committee that risks to the achievement of the Council's objectives are being properly managed.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix Internal Audit Quarterly Activity Update.

INTERNAL AUDIT QUARTERLY UPDATE

1.0 Summary of progress 2015/16

1.1 19 of the 28 items on the original plan are currently in progress. This is approximately 68% and compares with 69% for the same period in 2014/15.

2.0 Internal Audit 2015/16 second quarter activity update

Title	Position
Contract Procurement	In progress
National Fraud Initiative	In progress
Licensing	Complete
Icon cash receipting	Complete
Benefits	In progress
Technical Services	Complete
Community Infrastructure Levy	Complete
Leisure	In progress
Council Tax	In progress
NNDR	In progress
Customer Services	In progress
Grounds maintenance	In progress
Refuse and Recycling	In progress
Creditors	In progress
Debtors	In progress
Main Accounting	In progress
Treasury Management	In progress
Payroll	In progress
Post SFIS arrangements	In progress

Summary	
Work complete	4
Work in progress	15
Work not yet commenced	9
Total	28

3.0 Assurance rating system

3.1 This report records the level of assurance provided by Internal Audit's work. The following categories are used to record the level of assurance.

Full assurance: there is a sound system of internal control designed to secure objectives and controls are being consistently applied.

Substantial assurance: there is a generally sound system of internal control in place designed to secure objectives and controls are generally being applied consistently. Some weaknesses in the design or operation of the controls put the achievement of particular objectives at risk.

Limited assurance: weaknesses in design or inconsistent application of controls put the achievement of objectives at risk.

No assurance: weak controls or significant non-compliance with controls could result (or have resulted) in failure to achieve objectives.

- 3.2 No system of internal control can eliminate every possible risk and increasing the level of control in a system frequently increases costs. Balancing risk appropriately against the costs of control is management's responsibility.
- 3.3 Internal Audit's role is to evaluate and improve the effectiveness of risk management and control processes.
- 3.4 It is important to recognise that the scope of the work in each area examined defines the limits of the assurance which can be provided and to give context to the assurance provided each piece of work is summarised in the reports set out below.

4.0 Assurance reports:

4.1.1 LICENSING

Licensing are responsible for the licensing and control of around 420 taxis and Private Hire Vehicles, charitable collections, lotteries and amusements, street traders and the licensing of 385 premises for alcohol and entertainment.

4.1.2 Objectives

Testing of taxi and licensed premises licensing applications to ensure records maintained are accurate and complete, appropriate monitoring and inspection takes place and that controls on income are adequate, particularly the chip and pin facility introduced since the previous audit. Examine progress on the review of taxi licensing fees.

4.1.3 Observations

- An adequate inspection and monitoring routine was in place. With the exception of one application which had the wrong fee applied, testing indicated that applications were dealt with promptly, details were documented accurately and income was correctly recorded and posted to the General Ledger.
- The Council is currently reviewing costs included in (locally set) licence fees to confirm that they do not include ineligible costs.

4.1.4 Assurance

This Internal Audit work provides **substantial** assurance that the system for licensing taxis and licensed premises is operating satisfactorily. Work has commenced on the review of licensing fees. The review, with input from

Accountancy and Legal, is scheduled to be completed before the start of next financial year.

4.2.1 COMMUNITY INFRASTRUCTURE LEVY

The Community Infrastructure Levy (CIL) was introduced nationally in 2010. It allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used for commissioning and maintenance of infrastructure required to support new development, for example, transport schemes or green spaces. This is “generic” funding available in the local community as opposed to the earmarked funds for specific projects from Section 106 agreements. The CIL runs alongside Section 106 rather than replacing it.

4.2.2 Objectives

Examine procedures for calculation, collection, retention and disbursement of CIL monies and arrangements to secure objectives through the application of funds collected.

4.2.3 Observations

- The Exacom system calculates CIL to be charged based on parameters and case specific information. CIL charges are recorded on the Land Charges Register and removed once all payments have been made or the applicable clawback period or planning permission has expired. The system keeps a running total of all monies, and how these have been apportioned and spent. Parish Councils report each December on expenditure on infrastructure projects meeting the requirements of the CIL regulations. The Exacom system allows the Council to monitor progress on individual projects.
- The system for identifying and monitoring CIL chargeable developments was found to be effective with robust procedures in place and a comprehensive computer system designed to automatically calculate payments due and track developments and projects. The most onerous aspect of the administration of the scheme is the on-going monitoring of exempt developments to ensure they do not become liable as a result of disqualifying events occurring during the clawback period.
- A definitive retention and disposal plan for the information stored by the Exacom system is still being explored. All paper documentation, receipts and correspondence are shredded once scanned onto the system.

4.2.4 Assurance

Subject to the observation that there is little activity to examine this early in the system’s life-cycle this Internal Audit work provides **substantial** assurance that the systems in place for the administration of CIL are adequate and effective. Consideration needs to be given to implementing a retention and disposal regime to satisfy data protection requirements.

5.0 Update on significant issues from previous reports

5.1 Revenues reconciliations

The lack of reconciliations of NNDR and Council Tax to Icon postings and the General Ledger following the implementation of the Northgate revenues system have been the subject of regular reports to this committee.

Internal Audit work in revenues this year confirms that adequate reconciliation procedures are now in place for Council Tax and NNDR and reconciliations are being completed regularly on a timely basis.

Internal Audit will keep reconciliations under review during regular audit work but this issue is now resolved and will not be included in future updates.

5.2 Payroll – variations to pay

The 2014/15 payroll audit provided only limited assurance in relation to the system for initiating payroll variations. An action plan to address this was agreed with management and has been implemented.

The revised system was scheduled for review as part of 2015/16 audit work' however it will now be substantially amended again during the year as part of the implementation of "payroll self-service" which will migrate submission and authorisation of many forms to an electronic system.

Rather than review a system with a limited lifespan Internal Audit will review controls on variations to pay in the new "self-service" system during the implementation.

6.0 Conclusion

6.1 Progress against the 2015/16 plan to date is satisfactory and it is anticipated that internal audit coverage in the year will be sufficient to enable an adequate assessment of the adequacy and effectiveness of the Council's overall framework of governance, risk management and control.

Audit & Governance Committee Work Programme – 26 January 2016

Date	Training (commencing 6.30pm)	Items
March 2016	Regulation of Investigatory Powers (RIPA)	<ol style="list-style-type: none">1. Local Code of Governance2. Internal Audit Activities – Quarterly Update3. Internal Audit Plan 2016/174. Regulation of Investigatory Powers Act quarterly monitoring of use of powers5. Grant Thornton – Audit Plan6. Risk Management Framework7. Treasury Management
June 2016	Council's Accounts	<ol style="list-style-type: none">1. Internal Audit Activities – Annual report2. Internal Audit Activities – Quarterly Update3. Annual Governance Statement4. Statement of Accounts5. Regulation of Investigatory Powers Act Quarterly Monitoring of Use of Powers
September 2016	Procurement	<ol style="list-style-type: none">1. Grant Thornton – Audit Findings Report2. Approval of Statement of Accounts3. Internal Audit Activities – Quarterly Update4. Regulation of Investigatory Powers Act Annual and Quarterly Monitoring Use of Powers5. Annual Review – Anti-Fraud, Bribery and Corruption Policy
January 2017		<ol style="list-style-type: none">1. Internal Audit Activities – Quarterly Update2. Regulation of Investigatory Powers Act quarterly monitoring of use of powers3. Grant Thornton Annual Audit Letter4. Grant Thornton Certification Letter5. Treasury Management