

AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.30 pm on 6 November 2013

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Simon Fawthrop (Vice-Chairman)
Councillors Reg Adams, Nicholas Bennett J.P.,
Julian Grainger, Will Harmer and Stephen Wells

Also Present:

Councillor Robert Evans and Councillor Peter Fookes

49 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

50 DECLARATIONS OF INTEREST

Councillor Julian Grainger declared that he had children at Bromley schools.

51 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 6th JUNE 2013 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

RESOLVED that the minutes of the meeting held on 6th June 2013
(excluding exempt information) be confirmed.

52 MATTERS ARISING Report RES13195

The Sub-Committee received a summary of matters arising from previous meetings and considered the following matters in particular –

- Minute 43 - The summary of schools-related audit issues was being issued as a circular to all schools. Councillor Bennett asked that this be copied to Education PDS Committee members.
- Minute 43 – Councillor Grainger reported that the issue of charging for disabled parking bays had not yet been properly addressed by the Parking Working Group; this issue could be added to their next agenda.

53 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

54 ANNUAL AUDIT LETTER & LETTER OF REPRESENTATION
Report CEO1225

The Sub-Committee received the Annual Audit letter from the Council's external auditors, PricewaterhouseCoopers LLP (PWC) summarising its audit work for 2012/13, and the Letter of Representation setting out key undertakings sent out in response by the Director of Finance.

RESOLVED that the Annual Audit letter from PWC and the Letter of Representation from the Director of Finance be noted.

55 INTERNAL AUDIT PROGRESS REPORT
Report CEO1224

The Sub-Committee received a summary of recent Internal Audit activity and commented in particular on the following matters -

(a) Mental Health – Section 117

Section 117 was about ensuring that people detained under certain sections of the Mental Health Act 1983 did not leave hospital without a discharge plan based on decisions by both health and social care staff. As a result of Internal Audit testing one case had been discovered where an error had occurred and the authority had continued to fund care packages for a client when it should not have. The Executive Director of Education, Care and Health Services would be raising the matter with senior managers at Oxleas. A Member suggested enlisting the help of the Council's representative on the Oxleas Council of Governors.

(b) Waivers

Appendix B to the report contained a list of waivers granted between February and September 2013. Further details about some of the waivers had been circulated to Members in response to a request from Councillor Grainger. Members requested more details in the list in future on the reasons for contract extensions.

Many of the waivers were for social care placements, and members were assured that these were not simply rolled over automatically each year. There was a robust process in place before placements were signed off that included consulting the relevant portfolio holder, and there was now a much more market-led approach. Members considered whether PDS Committee should be asked to monitor waivers as they now monitored the Contracts Register, but it was considered more useful for the Sub-Committee to look at

a couple of samples at their next meeting to see what portfolio holders saw. It was also agreed that the Chairman, Vice-Chairman and Head of Audit should liaise over the format of the waivers appendix.

(c) Publication of Internal Audit Reports

The General Purposes and Licensing Committee on 25th September had agreed that all Internal Audit reports should be published in full, except where particular exemptions applied, and the report set out how this would be done in practice. It was proposed that this commence with all reports completed after the current meeting, but Members also sought publication of any reports from the previous three years that included issues where the Council had lost more than £100,000.

(d) Housing Benefit

The proposed move by the DWP towards a Single Fraud Integrated Service meant that the housing benefit fraud service would transfer to them at some point in 2014/15. The council had already given notice to terminate its contract with Greenwich at the end of March 2014, although a waiver would be sought to extend it until the transfer actually took place. After the transfer, resources would still be needed for other areas of anti-fraud work, and this could involve coming to a further arrangement with Greenwich. The Chairman asked officers to monitor how the transfer affected levels of benefit fraud sanctions.

(e) Review of Value for Money (VfM) arrangements

Councillor Grainger suggested that the comparative VfM exercise carried out by CIPFA for the Council in 2008 should be repeated. The Director of Finance reported that although CIPFA had tailored the report to Bromley's circumstances the cost had not been excessive and it was probably possible to commission something similar.

(f) Risk Management

Progress on putting financial values against risks had been delayed by changes in personnel. Members accepted that some risks were very difficult to value.

RESOLVED that

- (1) The content of the Progress Report, including the waivers approved between February and September 2013 and the continuing achievements of the counter fraud benefit partnership with the Royal Borough of Greenwich, be noted.**
- (2) The proposed procedure for publication of Internal Audit reports be approved, but with the addition that reports from the previous three years are published where they refer to cases where more than £100,000 has been lost.**

56 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**The following summaries
refer to matters
involving exempt information**

57 EXEMPT MINUTES OF THE MEETING HELD ON 6TH JUNE 2013

The Sub-Committee approved the exempt minutes of the meeting held on 6th June 2013.

58 INTERNAL AUDIT FRAUD & INVESTIGATION REPORT

The Sub-Committee considered a report updating them on progress with fraud and investigation work.

The Meeting ended at 10.01 pm

Chairman