

PUBLIC

MINUTES of a meeting of the **AUDIT COMMITTEE** held on 28 March 2017 at County Hall, Matlock

PRESENT

Councillor S Brittain (in the Chair)

Councillors G Birkin, S J Bradford, L M Chilton, C E Neill and D Williams

13/17 **MINUTES RESOLVED** that the minutes of the meeting held on 7 February 2017 be confirmed as a correct record and signed by the Chair.

14/17 **STRATEGIC RISK REVIEW** The Risk Register was designed to capture strategic risk which by its nature had a long time span. A full and in depth review of the Strategic Risk Register was due to take place on 25 February 2017 with Departmental Risk Champions to review the risks that the Council had identified as being of strategic significance. Unfortunately, due to other pressures on the Risk Champions, this meeting had been cancelled and was due to be re-scheduled after the Risk Manager had appraised current Strategic and Departmental Risk management processes.

The Director of Finance reported on changes to risks that already appeared on the Risk Register.

RESOLVED that the report be noted.

15/17 **INTERNAL AUDIT PLAN 2017-18** The proposed Audit Plan for 2017-18 was presented. The Audit Plan had been formulated from the risk assessment drawn from a wide range of sources including the Council Plan, the Council's strategic risk register, Departmental risk registers, service plans and meetings with the Chief Executive, Strategic Directors and Director of Finance. As part of this process Audit projects had been identified which would be developed specifically to address key Corporate and Departmental risks and build on those areas where frauds/control weaknesses had previously been identified. The Audit Plan would, as in previous years, be continually reviewed to ensure that it remained aligned with significant risks whilst remaining responsive to changes in risk, operations, systems and controls. Progress against the approved Audit Plan would be monitored and regularly reported to the Audit Committee.

The Audit Plan for 2017-18 was based on a staffing structure which provided for the deployment of approximately 15.5 full time equivalents to deliver 2,914 Audit days. The Unit was currently carrying a vacant post which,

due to a number of operational factors, had not been filled; this situation was subject to on-going review.

The Audit Services' Plan was attached at Appendix 1 to the report and detailed the Audit Services' coverage for all Departments and the Corporate Authority and identified the perceived level of risk, the resource to be employed and the expected outcomes of Audit work.

RESOLVED to approve the Audit Services' Plan for 2017-18.

16/17 NATIONAL FRAUD INITIATIVE The National Fraud Initiative (NFI) is a data matching exercise which matches data provided by approximately 1,300 organisations from across the public and private sectors. The scheme identified and prevented fraud, overpayments and errors amounting to £198 million in England from April 2014 to March 2016. Since its implementation in 1996 the NFI had enabled participants to detect fraud, overpayments and errors totalling £1.39 billion.

The results of the matching exercise arising from the Authority's data being submitted to the Cabinet Office in October 2016 were made available from 26 January 2017. The 2016-17 data matching return for the Council identified a total of 26,664 matches over 40 separate reports which included matching of the Council's data in respect of pensions, payroll, blue badge, concessionary travel, accounts payable, personal budgets, private residential care homes and insurance records with that of other participants' data including housing benefits claimants and Department for Work and Pensions deceased pensioners.

RESOLVED to note the progress made by the Council in respect of the NFI 2016-17 exercise.

17/17 EXTERNAL AUDIT PLAN 2016-17 Richard Walton from KPMG attended the meeting to present Members with the External Audit Plan for 2016-17. The document described how KPMG would deliver their audit work for the Authority and identified any key risks for the financial statements audit and Value for Money arrangements conclusion.

The risk assessment for the financial statements audit had identified the following two significant risks:-

- Significant changes in the pension liability due to the Local Government Pension Scheme Triennial Valuation; and
- Management override of controls. This was a presumed risk, required by Auditing Standards.

The planned fee for the audit was £125,356 and Mr Cornett from KPMG explained how the fee for the audit was calculated.

RESOLVED that the report be noted.

18/17 **ANNOUNCEMENTS** The Chair reported that this was the last meeting for Councillors Glennice Birkin and Clare Neill as they would not be seeking re-election. The Chair wished to place on record his thanks for their contributions to the Committee and wished them all the very best for the future.

Councillor Stuart Bradford expressed his thanks and appreciation to Councillor Stuart Brittain for his time as Chair of the Committee and also wished to place on record his thanks to Mr Handford and the finance teams and to all the officers who had contributed to the meetings of the Audit Committee.

19/17 **EXCLUSION OF THE PUBLIC RESOLVED** to exclude the public from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of exempt or confidential information.

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting held on 7 February 2017.

20/17 **MINUTES RESOLVED** that the exempt minutes of the meeting held on 7 February 2017 be confirmed as a correct record and signed by the Chair.