

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT THE TOWN HALL, PETERBOROUGH 13 FEBRUARY 2017**

Present: Councillors Fuller (Chairman) Over, Sims, Murphy, Shaheed, Ash.

Others

Present: Councillor Seaton, Cabinet Member for Resources

Officers in

Attendance: Steven Pilsworth, Service Director Financial Services
Michelle Abbott, Senior Lawyer – Adult, Education, Health and Litigation
Paul Cook, Interim Head of Corporate Finance
Jane Webb, Senior Democratic Services Officer

Also in

Attendance: Suresh Patel, Audit Director Ernst & Young

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Aitken, Saltmarsh and Sharp with Councillor Ash attending as substitute for Councillor Sharp.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE MEETING HELD ON 21 NOVEMBER 2016

The minutes of the meeting held on Monday, 21 November 2016 were agreed as a true and accurate record.

4. EXTERNAL AUDIT: THE ANNUAL AUDIT LETTER

The Service Director Financial Services introduced the report to Audit Committee Members which summarised the two reports received from Ernst & Young from their External Audit Report, the Annual Audit Letter and the Grant Claims Certification Report. The Audit Director from Ernst & Young presented the report to year ending March 2016 in accordance with the Committees' Terms of Reference.

Key point raised included:

- The report was based on information discussed in October 2017 with Officers and some elements had moved on;
- For a local authority of this size the budget gaps were considered manageable;
- Final agreement still needed to be concluded with Officers on fees charged by auditors;
- Setting aside money to cushion future budgets had been common practice in local authorities and it was confirmed this had been the case as detailed in the report.

Bridging the deficit had been achieved through savings rather than collecting excess council tax and the savings target was exceeded by approximately £1M;

- Discussions had taken place to reduce the budget deficit for 2017-2018 by utilising reserves to close the gap. This had been subject to agreement and was to be included at the Council meeting on March 8th 2017. The resulting deficit would then be reduced to approximately £4M in 2017-2018 and £14M in 2018-2019; and
- The Audit Director from Ernst & Young presented Appendix B, Certification of Claims and Returns as commissioned by the Department of Work and Pensions (DWP) to certify the Housing Benefit Claims and subsidies. The methodology, report format and the fee were all set by Public Sector Audit Appointments. Due to staffing issues last year Ernst & Young missed the DWP report deadline. An extended deadline was granted and the work was completed within this time. It had not been unusual to find errors due to the complexity of the claim however the number of errors identified were considered small and there were no systematic or control errors identified. The sum of errors amounted to £3700.00.

Officers responded to comments and questions raised by Members. In summary responses included:

- The way the missed DWP submission date was handled was considered appropriate; and
- When underpayments were identified the tenant would be aware of the adjustment.

ACTION AGREED

The Committee:

1. Considered and endorsed the 2015/16 Annual Audit Letter; and
2. Considered and endorsed the 2015/16 Grant Claims: Annual Certification Report.

INFORMATION AND OTHER ITEMS

5. GENERAL DISPENSATION FOR ALLOWANCES

This report was submitted to the Committee following a recommendation requested at its meeting held on 21 November 2016, which considered dispensations which allowed members to vote on matters in which they had a pecuniary interest. One of those pecuniary interests related to the allowances paid to members.

ACTION AGREED

The Committee noted the guidance provided by the Director of Governance relating to dispensations for allowances.

6. USE OF REGULATORY INVESTIGATORY POWERS ACT 2000 (RIPA)

The Committee noted that there had been no RIPA authorisations in this quarter.

7. APPROVED WRITE OFFS EXCEEDING £10,000

The Committee noted that there had been no write offs exceeding £10,000 since 21 November 2016.

8. FEEDBACK REPORT

The Chairman introduced the report which provided feedback on items considered or questions raised at the previous meeting of Audit Committee. It also provided an update on

specific matters which were of interest to the Committee or where the Committee had requested to be kept informed of progress. All items had been dealt with and no further action was suggested.

ACTION AGREED

The Committee noted the report.

9. WORK PROGRAMME

The Chairman submitted the latest version of the Work Programme for the Municipal Year 2016/2017 for consideration and approval. The standard report provided details of the proposed Work Programme for the Municipal Year 2016/2017 together with any training needs identified.

Discussion took place regarding the following:

Under the Risk Management Plan, mayoral costs and costs of the combined authority will be met from the gain-share grant from central government. Members expressed concern that the additional charges would fall to this council.

ACTION AGREED

The Committee noted and approved the 2016/2017 Work Programme.

The Chair thanked Steven Pilsworth, Service Director Financial Services for his work on the Committee and wished him well in his new position.

7:00pm – 7:30pm
Chairman