

ITEM 4

Time Commenced: 6.00pm
Time Finished: 7.17pm

AUDIT AND ACCOUNTS COMMITTEE 11 December 2013

Present: Councillor Roberts (Chair)
Councillors Ashburner, Campbell, Davis, Harwood, Martin, Troup and
Turner

Councillor Ashburner was absent for the duration of minute numbers 37/13 to 41/13 inclusive. Councillor Martin was absent for the duration of minute numbers 37/13 to 40/13 inclusive.

37/13 Apologies for Absence

There were no apologies for absence.

38/13 Late Items

The minutes of the meeting held on 30 October 2013 were admitted as a late item.

39/13 Declarations of Interest

There were no declarations of Interest.

40/13 Minutes

The minutes of the meeting held on 30 October 2013 were agreed as a correct record. The committee clarified that in relation to minute number 32/11; it was most interested in obtaining further information about the waiver granted in respect of the gritter tracking and control system. The Head of Procurement agreed to provide the requested information, including the cost of the gritter procured and the cost of a gritter with an automated system.

41/13 Fraud and Corruption Training Session

The Head of Governance and Assurance presented a training session on fraud and corruption. The training included advice on preventative measures and advised the committee of the implications arising from the closure of the National Fraud Authority (NFA). It was reported that the NFAs responsibilities would be realigned to reflect the creation of a National Crime Agency.

The committee was informed that following the closure of the NFA in March 2014, its functions would be transferred as follows:

- strategic development and threat analysis would be led by the National Crime Agency
- Action Fraud, the national fraud and financially-motivated internet crime reporting centre, would become the responsibility of the City of London Police, to create a stronger end-to-end fraud reporting and analysis system
- work to raise awareness of fraud, including delivery of the national e-confidence campaign, would transfer to the Home Office
- development of the Counter-fraud Checking Service would be led by the Cabinet Office.

Resolved to note the training.

42/13 Annual Audit Letter from Grant Thornton

The committee received a report from the Strategic Director of Resources which presented the annual audit letter for the council by external auditor Grant Thornton. The letter outlined the key issues arising from the auditor's work. Phil Jones (Director) and Tony Parks (Audit Manager) attended the meeting on behalf of Grant Thornton.

The committee noted that a local elector had made an objection to the accounts in relation to taxi licensing, which was being investigated by the auditor.

The letter concluded that the council's accounts gave a true and fair view of the council's financial position and of the income, together with the expenditure, recorded by the council. The letter also confirmed that the external auditor was satisfied that in all significant respects, the council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Resolved to note the annual audit letter for the year ended 31 March 2013 and request the Strategic Director of Resources to ensure that a copy of the external auditor's findings in relation to the objection made by a local elector (regarding taxi licensing) is copied to members of the committee.

43/13 Reporting of Waivers

The committee considered a report from the Strategic Director of Resources which summarised five waivers recorded between 1 October 2013 and 22 November 2013.

In response to questions from the committee regarding two waivers for housing related support, the Head of Procurement explained that the contractual delays were linked to issues arising under the Transfer of Undertakings (Protection of Employment) regulations.

The committee was pleased to hear that the council would pursue compensation in respect of the supply of goods or services which were not fit for purpose and breaches of contract. The committee requested that it be kept informed of the outcome of such

actions.

Resolved to note the report.

44/13 The Council's use of Covert Surveillance and Update Against the Inspection Action Plan

The committee considered a report of the Strategic Director of Resources, which was presented by the Head of Legal Services. In accordance with an action plan (agreed between the council and the Office of Surveillance Commissioners) the Head of Service updated the committee on the council's use of covert surveillance between 1 August 2013 and 31 October 2013.

In relation to section 4.7 of the report, the committee was advised that the three authorising officers held director posts within the council. The committee discussed the statutory guidance pertaining to use of covert surveillance and the continuing need to ensure all action taken was necessary and proportionate to support enforcement.

Resolved to note:

- 1. that there have been no applications made to use covert surveillance between 1 August 2013 and 31 October 2013;**
- 2. that PHF Training Limited delivered training to 15 staff in respect of covert surveillance on 14 October 2013 and covert human intelligence surveillance training on 15 October 2013; and**
- 3. the progress being made against the agreed action plan as detailed at appendix 2 of the report.**

45/13 Protecting the Public Purse 2013

The committee received a report from the Strategic Director of Resources which was presented by the Head of Governance and Assurance. The committee was provided with a synopsis of the Audit Commission's recent report *Protecting the Public Purse 2013* which described the latest developments in fraud detection and prevention. The committee was furnished with an updated checklist for those charged with governance.

The committee was advised of the Audit Commission's belief that fundamental to the improvement of fraud detection and prevention for local authorities, was the establishment of a robust and accepted counter-fraud culture. It was further reported that councillors had an important role to play in supporting both this ethos and the measures which would underpin it. This was evident in a question posed to local councils through the commission's checklist, namely, "*does a councillor have portfolio responsibility for fighting fraud across the council?*"

The Committee noted that such a responsibility had not been explicitly defined within the Scheme of Delegations, although responsibility for monitoring and reviewing the council's anti-fraud and corruption measures was delegated to the Audit and Accounts

Committee. In light of the commission's recommendations, the Head of Governance and Assurance suggested the inclusion of this responsibility within the remit of the Chair of the Audit and Accounts Committee.

Resolved to recommend to Council:

- 1. an amendment to its constitutional appointments, to establish the position of an Anti-Fraud Champion, vested with responsibility for monitoring and reviewing the council's anti-fraud and corruption measures; and**
- 2. subject to the approval of recommendation 1 above, that the Chair of the Audit and Accounts Committee be appointed as the council's Anti-Fraud Champion.**

45/13 Whistleblowing Policy

The committee received a report of the Strategic Director of Resources which was presented by the Head of Governance and Assurance. The report updated the committee on the review of the Whistleblowing policy, which among other changes, had been updated to make reference to policies and strategies that had been introduced since it was last approved. The policy also incorporated a procedure for officers.

The committee suggested that the accompanying officer's guide be amended so that references to consulting a trade union did not presume an officer's membership but rather recommended that an officer should consult a trade union if they were a member.

Resolved to note the report and approve the updated Whistleblowing policy, subject to the amendment of references to membership of a trade union in the accompanying officer's guide.

45/13 Anti-Money Laundering Policy

The committee received a report of the Strategic Director of Resources which was presented by the Head of Governance and Assurance. The report updated the committee on the review of the Anti-Money Laundering policy, which among other changes, had been updated to make reference to policies and strategies that had been introduced since it was last approved.

Resolved to note the report and approve the updated Anti-Money Laundering policy.

45/13 Information Governance Framework

The Head of Governance and Assurance presented a report of the Strategic Director of Resources, which sought approval of a number of key documents that supported the council's information governance framework.

The committee discussed the different ways in which the council held information, particularly sensitive or personal data. The committee also considered how the council

stored and disposed of such information.

Resolved to support and approve the policy and strategy documents (previously endorsed by the Information Governance board) which aim to improve service delivery, enhance information governance and reduce both the financial and reputation risk posed to the council, namely the:

- **Information Governance Strategy;**
- **Information Management Strategy;**
- **Information Risk Policy; and**
- **Records Management Policy.**

Minutes End