

Minutes of a meeting of the Governance and Audit Committee held on Friday 27 November 2015 at City Hall, Bradford

Commenced 1105
 Concluded 1155

PRESENT – Councillors

LABOUR	THE INDEPENDENTS
L Smith	Hawkesworth
Swallow	

Councillor L Smith in the Chair

39. DISCLOSURES OF INTEREST

All those who were Members or beneficiaries of the West Yorkshire Pension Fund disclosed an interest.

ACTION: *Interim City Solicitor*

40. MINUTES

Resolved -

That the minutes of the meeting held on 30 October 2015 be signed as a correct record.

41. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restrict documents.



42. THE ANNUAL AUDIT LETTER FOR THE 2014/15 AUDITS OF CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL AND WEST YORKSHIRE PENSION FUND

The External Auditor submitted the Annual Audit Letter (**Document “AA”**) which summarised the key issues arising from the audits of City of Bradford Metropolitan District Council and West Yorkshire Pension Fund for 2014/15.

It was reported that the audit of the Council's financial systems was in line with auditing standards which were reported in the External Audit's detailed findings to the meeting in September 2015. An audit report including an unqualified opinion on the statement of accounts was issued on 28 September 2015.

Members were informed that the Council presented draft accounts in accordance with the national deadline working papers and other supporting evidence was produced on a timely basis throughout the audit.

Issues arising from the audits of the accounts were detailed in section 2 of the report.

It was reported that the Annual Governance Statement was reviewed to see whether it complied with relevant guidance and whether it was misleading or was inconsistent and no areas of concern were found in the report.

Members were informed that External Audit had presented the detailed findings from the audit of the West Yorkshire Pension Fund in a separate audit completion report to the Council at the Committee's meeting in September 2015, the key points were detailed in section 2 of the report.

It was reported that External Audit were satisfied that in all significant respects, the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015 and an unqualified Value for Money Conclusion was issued.

Resolved -

That the Annual Audit Letter for the 2014/15 audits of City of Bradford Metropolitan District Council and West Yorkshire Pension Fund was considered.

43. A REVISED SANCTIONS POLICY, IN RESPECT OF THOSE WHO COMMIT OFFENCES OF FRAUD, CORRUPTION, THEFT OR OTHER FINANCIAL IRREGULARITY, AGAINST THE COUNCIL

The Council had been applying sanctions and bringing prosecutions for offences of Housing Benefit (HB) and Council Tax Benefit (CTB) fraud since 1999 under a Committee approved policy. Over time offences such as Council Tax Single Person Discount (SPD) and Misuse of Disabled Persons Blue Badge Scheme were added to the policy as the remit of the Revenues and Benefits Investigation team expanded.

As the responsibility for the investigation, sanction and prosecution of Housing Benefit transferred to the Department for Work and Pensions (DWP) Single Fraud Investigation Service (SFIS) in April 2015, the policy now required revision to both remove reference to Housing Benefit fraud and to account for the types of fraud that the single Corporate Fraud Unit were now investigating. The revised policy also needed to consider the criteria used to determine whether a prosecution or an alternative to prosecution sanction was appropriate.



The Finance Director submitted **Document “AB”** which sought approval on a revised Council policy in respect of applying sanctions and/or pursuing criminal action, through the Courts, to those who committed offences of fraud, corruption, theft or other financial irregularity against the Council.

Resolved -

That the revised Sanctions Policy (Appendix A to Document “AB”) be approved.

ACTION: Finance Director

44. **PROPOSED AMENDMENTS TO THE CONSTITUTION**

Previous Reference: Council Minute 58 (2015/16)

The Council on 20 October 2015 referred the Motion on “Council Standing Orders – Report of the Leader of Council” to the Governance and Audit Committee.

In accordance with the above the Interim City Solicitor submitted **Document “AC”** which set out the terms of the Motion so that the Governance and Audit Committee may make appropriate recommendations to Council.

There was a short discussion on the timing of the Leader’s written report being circulated to Members.

Resolved -

That the amendments to the Constitution as detailed in Document “AC” with the addition that the Leader’s written report be circulated to Members prior to the Council Meeting be recommended to Council.

ACTION: Interim City Solicitor

45. **INTERNAL AUDIT PLAN 2015/16 – MONITORING REPORT AS AT 30 SEPTEMBER 2015**

Previous Reference: Minute 16 (2015/16)

The Director of Finance submitted **Document “AD”** which brought to the attention of members of the Committee any significant issues arising from the audit work undertaken to date and to inform them about the progress made up to 30 September 2015, against the Internal Audit Plan, which was approved by the Committee on 24 July 2015.

It was reported that the joint working between Bradford and Wakefield was working well.

Members were informed that the Council would be audited by the Information Commissioners Office (ICO) from the 8 to the 10 December 2015. This was a useful process for the Council because it could help the Council to identify any potential problems before a serious issue arose.

Members commented on a number of issues:

- Concerned that the Annual Returns from Strategic Directors showed a small number of recommendations that had not been fully implemented and whether this was a re-occurring problem.



- Strategic Directors signing off recommendations which had not been implemented was a concern.
- The Committee could ask the relevant Directors to attend the meeting to explain why audit recommendations had not been implemented.
- Internal Audit should discuss with Strategic Directors as to why outstanding recommendations had not been completed.

Resolved -

That the Committee:

- (1) **Takes assurance from the results to date that show that the control environment of the authority is overall satisfactory.**
- (2) **Endorse the anticipated coverage and changes of Internal Audit work during the year.**
- (3) **Requires Internal Audit to monitor the control environment and continues to assess areas of control weakness and the ability of management to deliver improvements to the control environment when required and reports progress to the Committee.**
- (4) **Requires Internal Audit to monitor its resourcing levels to ensure that they are sufficient and appropriate to support an effective Internal Audit function.**

ACTION: Director of Finance

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the Committee.

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

