

## Crawley Borough Council

### Minutes of Audit Committee

Tuesday, 27 November 2018 at 6.30 pm

#### Councillors Present:

K Sudan (Chair)

C R Eade (Vice-Chair)

R D Burrett, I T Irvine and L Willcock

#### Also in Attendance:

A Brittain

Associate Partner, Ernst and Young LLP

J Taylor

Audit Manager, Ernst and Young LLP

#### Officers Present:

Gillian Edwards

Audit and Risk Manager

Karen Hayes

Head of Corporate Finance

Mez Matthews

Democratic Services Officer

Stuart Small

Investigations Officer

#### 1. Disclosures of Interest

No disclosures of interests were made.

#### 2. Minutes

The minutes of the meeting of the Audit Committee held on 2 October 2018 were approved as a correct record and signed by the Chair.

#### 3. Fraud and Investigation Team Report

The Committee considered report FIN/459 of the Operational Benefits and Corporate Fraud Manager, which focused on activity for the period from 17 September 2018 to 12 November 2018. The Operational Benefits and Corporate Fraud Manager was unable to attend the meeting and therefore the Investigations Officer presented the report in his absence.

The report indicated that the Team had continued to perform successfully. The Committee was provided with details of cases investigated and the Team's investigations, whilst a discussion took place on the Team's work generally. The Committee sought and received clarification regarding housing non-occupation fraud cases. The Committee was pleased to be informed that the witness in relation to the fly-tipping case had been thanked by the Council.

The Committee expressed its thanks to the Team for its continued hard work. The Chair specifically referred to the role the Team played in preventing a degree of fraud in the first instance which unquestionably achieved additional savings for the Council.

## **RESOLVED**

That the Investigation Team Report be noted.

### **4. Progress Report: Internal Audit and Risk Management**

The Committee considered report FIN/458 of the Audit and Risk Manager. The purpose of the report was primarily to update the Committee on the progress made towards the completion of the 2018/2019 Audit Plan, and to report on the progress made in implementing the previous recommendations. The report also included an update on the Council's Strategic Risks.

The Audit and Risk Manager took the opportunity to brief the Committee on high priority findings and follow up audits. With regard to the former, the Committee received further information regarding the Community Grants Audit, including the advertising process for grant applications. The Committee was reassured to note that the decision to approve grants over £5,000 was taken by the Cabinet Member for Public Protection and Community Engagement and that the actions implemented as a result of the Audit would help ensure segregation of duties in the future. The Committee also noted that the follow-up audit would be brought back to a future meeting of the Committee.

The Committee then considered the two follow-up audits and, following discussion by the Committee:

#### Procurement Follow-up Audit

- Noted that, since being in post, the Head of Digital and Transformation and all relevant staff in the ICT Section had undertaken procurement training and the Contracts Register was now up-to-date.
- Was informed that, since the last Audit Committee, no relevant procurement exercises had been undertaken, however any future ICT procurements would be reviewed.

#### Data Centre Follow-up Audit

- Thanked the Chair of the Audit Committee for referring the matter to Scrutiny.
- Noted that the follow-up audit would not be signed off until the independent review had been completed and further information relating to the follow-up audit would be brought before the Audit Committee.
- Was informed that the independent person appointed to review the matter would be procured by the Head of Digital and Transformation, who had not been in post at the time of the Data Centre Migration.

Following a query from the Committee, the Audit and Risk Manager advised that it was usual for the Audit Team to have involvement with major projects.

The Committee discussed the update provided on Strategic Risk Management. The Committee sought and received clarification on several points, including shrub bed replacement, and the ways in which the new Town Hall could assist with the recruitment and retention of staff. The Town Hall Risk Register was discussed and, at the request of the Committee, clarification was provided on a number of matters including the funding and budget of the new Town Hall.

**RESOLVED**

That the Committee receive the report and note progress to date, as at 9 November 2018.

**5. Audit Planning Report: Year Ended 31 March 2019**

The Committee considered the Audit Plan for the year ended 31 March 2019 from Ernst and Young LLP.

The Audit Plan set out how Ernst and Young intended to carry out its responsibilities as auditor and provided the Committee with a basis to review Ernst and Young's approach and scope for the 2018-2019 audit in accordance with the requirements of the relevant auditing standards and professional requirements. The Plan also intended to ensure that the audit aligned with the Committee's service expectations.

The Associate Director introduced himself to the Committee and presented the report. At the request of the Committee, further information was provided in relation to specific areas including the valuation of pension fund assets and liabilities, and transparency of reporting in relation to value for money of the new Town Hall.

The Associate Director advised that some of the non-audit services provided by Ernst and Young for 2018/19 had not been finalised and therefore some of the amounts in the fees table were yet to be confirmed. The Committee also noted that reference to "materiality for 2017/18" on page 47 of the agenda pack should be corrected to read "materiality for 2018/19".

**RESOLVED**

That the Audit Plan for the year ended 31 March 2019 be noted.

**Closure of Meeting**

With the business of the Audit Committee concluded, the Chair declared the meeting closed at 7.35 pm

**Chair**