

GATESHEAD METROPOLITAN BOROUGH COUNCIL
AUDIT AND STANDARDS COMMITTEE MEETING

Monday, 7 March 2016

PRESENT: Councillor B Coates

Councillors: N Weatherley, P Dillon, J Green, L Green,
J McClurey, J McElroy and G Clark

ASC9 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of J Common and B Jones.

ASC10 MINUTES

The minutes of the meeting held on 1 February 2016 were approved as a correct record.

ASC11 DECLARATIONS OF INTEREST

No interests were declared.

ASC12 COUNCILLOR ENGAGEMENT AND DEVELOPMENT FRAMEWORK

The Committee received a report on the Councillor Engagement and Development Framework (the Framework).

It was explained how, over the years, the Council has developed a number of procedures, processes and protocols which, taken together, are intended to help guide councillors on how they undertake their duties (in respect of consultation, engagement, training and development).

On 9 September 2015, the Councillor Support and Development Group approved a draft overarching councillor engagement and development framework. Before submitting the framework to Cabinet, the group considered it appropriate to seek the views of this Committee because of the framework's obvious link to the promotion of high standards.

In respect of the Protocol for Communicating and Consulting with Councillors, it was clarified that officers are expected to consult and communicate with councillors and respond promptly to their queries whilst councillors should be mindful of the increasing pressure placed on officers due to reduced capacity and resources.

It was queried whether communication and consultation with councillors has been a weakness. It was confirmed that two protocols were in place relating to communicating and consulting with councillors, these have been reviewed and merged to provide a more pragmatic approach which acknowledges reductions in

capacity and resource.

It was suggested that, where practicable, the protocols for attendance on outside bodies be reflected in the Framework, particularly in relation to conflicts of interest.

RESOLVED - That the views of the Committee be used to inform the ongoing development of the Framework.

ASC13 **LOCAL CODE OF GOVERNANCE**

A report was presented to the Committee, requesting it to consider an updated version of the Local Code of Governance (the code).

The code defines how the Council complies with the principles of good governance laid down by the Independent Commission on Good Governance in Public Services.

The code is based on the Council's existing constitution, protocols and procedures and has been updated to include changes to these documents. The code will be reviewed annually to support the Council's Annual Governance Statement.

It is anticipated that a revised framework document and guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) will be issued later in 2016. This will probably require a fundamental redrafting of the Council's code.

RESOLVED: i) The Committee approved the updated Local Code of Governance.
 ii) The Committee agreed to receive a further report in due course, in relation to the updated CIPFA Framework document and guidance note.

ASC14 **MAZARS CERTIFICATION OF CLAIMS AND RETURNS 2014/15**

The Committee received the external auditor's (Mazars) annual report on Certification of Claims and Returns. The report set out an update of Mazars' external audit work in respect of the following:

- Housing Benefit Subsidy Return,
- Pooling of Housing Capital Receipts,
- Schools Centred Initial Teacher Training (SCITT),
- Health Act 2006 (s526) – review of annual vouchers and;
- Teachers' pension contributions.

RESOLVED: The Committee agreed to note the contents of the external auditor's report.

ASC15 **MAZARS AUDIT STRATEGY MEMORANDUM YEAR END 31 MARCH 2016**

The Committee received the external auditor's Audit Strategy Memorandum for the year ended 31 March 2016.

The report summarised the audit approach and highlighted significant audit risks and areas of key judgment.

Changes to the timetable of audit work were reported and the Committee agreed the approach would provide practical benefits arising from the audited accounts being available two months earlier than in previous years. It was also considered appropriate to change the work programme timetable now as a means of testing the timetable two years before the new deadlines are set in statute.

It was suggested that a July meeting of the Committee should be convened, so that the external auditor's report can be considered in accordance with the revised timetable of work.

- RESOLVED:
- i) The Committee agreed to note the contents of the external auditor's report.
 - ii) That the timings of reports to the Committee be amended, as appropriate, to reflect the changes to the timetable of audit work.

ASC16 **TREASURY POLICY STATEMENT AND TREASURY STRATEGY**

To ensure that the Council fully complies with the requirements of good financial practice in Treasury Management, the Committee received a report requesting it to review the proposed Treasury Policy Statement and Treasury Strategy for 2016/17 to 2018/19, and to submit any comments to Cabinet.

In respect of the Council's deposits with Heritable Bank, the Committee was pleased to note that dividends totalling £2.736m (98.00p in the £) have been received. It was reported that the administrators do not intend to make any further distributions of dividend, until the resolution of the ongoing litigation of their claim with Landsbanki.

- RESOLVED: The Committee endorsed the Treasury Policy Statement and Treasury Strategy.

ASC17 **INTERNAL AUDIT UPDATE**

The Committee received an update report on activity undertaken by the Internal Audit and Risk Service.

The update covered the work undertaken in relation to:

- Governance,
- Public Sector Internal Audit Standards (PSIAS),
- Counter Fraud,
- Fraud Bulletin,

- CIPFA Fraud and Corruption Tracker
- CIPFA Counter Fraud and Corruption Toolkit
- National Fraud Initiative.

Those involved with the review of the Council Tax Single Person Discount (SPD) were congratulated on the successful collection of undue funds totalling £328,464.

It was reported that the work around the SPD represented a proactive approach taken by officers within Corporate Resources. It was noted that there is some scope to carry out further similar activity.

The Committee was pleased to note that the Council works with other benefit agencies such as the DWP to cross-reference claims and identify fraud.

RESOLVED: The Committee agreed to note the contents of the report.

Chair.....