

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOM
2/3, CIVIC OFFICES, ANGEL STREET, BRIDGEND ON WEDNESDAY, 3 OCTOBER
2007 AT 2.15PM

Present:-

Councillor J C Spanswick - Chairperson

Councillors

D A D Brett
G Davies
P A Evans

Councillors

R M Granville
W May
M L Simmonds

Councillors

W H C Teesdale
M C Wilkins

Observer:

Councillor J Radford

Officers:

A Phillips - Assistant Director - Finance
N Meredith - Chief Internal Auditor
K Lucas - Computer Auditor
I Pennington - KPMG
M A Galvin - Senior Cabinet and Committee Officer
C Branford - Cabinet and Committee Officer

208 APOLOGIES FOR ABSENCE

Apologies were received from Councillor D T Anderson who was away on holiday and Councillors A E Davies and B I Quennell who were on other Council business.

209 DECLARATIONS OF INTEREST

None.

210 NATIONAL FRAUD INITIATIVE

The Chief Internal Auditor presented a progress report on the National Fraud Initiative (NFI). In response to a request from Members for data on the amounts fraudulently obtained from Bridgend County Borough Council, the Computer Auditor advised that she would report this information to the Audit Committee in due course. In response to a question from Members, the Computer Auditor informed the Committee that the 799 matches assessed for potential fraud represented 1% of the total of Housing Benefit Claims. She then emphasised that 24 cases were still in the process of being investigated. She advised the Committee that the verification process in place in the Housing Benefit Section enabled problems to be identified at source. Members requested clarification on the issue of staff members working simultaneously for two authorities. The Computer Auditor advised that this was not a legal issue, but that it would become one in a case where, for example an employee was on sick leave from one local authority but continuing to work for another. The Chief Internal Auditor informed the Committee that it was permissible for local authority employees to take a second job, and that examples of this existed. However, an employee above particular grade was not permitted to do so, without permission. The Assistant Director - Finance advised Members that he

would take the issue up with the Human Resources Department, as there could be a danger that employees with second jobs were breaking the European Working Hours Directive. He also advised that all applicants for positions in Bridgend County Borough Council should state on their application form if they were also intending to continue working for another employer. The Chief Internal Auditor advised Members that he was optimistic that the Auditors would not uncover any serious fraud in this area.

In response to a question from Members on cases of overpayment to an employee which was not declared, the Assistant Director - Finance informed the Committee that the Authority would take steps to recover the money, and pursue a civil action if necessary. He advised that prosecution for theft may follow but that every case would be decided on its own merits. The Computer Auditor reminded the Committee that such cases may not be the fault of a dishonest employee but a series of mistakes by the employer. The Assistant Director - Finance advised Members that this was not a major issue in the Authority, and stated that when the TRENT system was operating fully, the capacity for errors such as this would be reduced.

In response to Members' questions on whether the National Fraud Initiative was confined exclusively to the Housing Benefit Section, the Assistant Director - Finance advised that fraud is incidental to Housing Benefit, not central. The Chief Internal Auditor informed the Committee that Bridgend County Borough Council was achieving best practice in the issue of both fraud prevention and detection of fraud.

Members requested an update on the TRENT system and were advised that the next stage in its development would be the move to a web based system on 1 April 2008. The Assistant Director - Finance advised the Committee that this system upgrade would enable managers to view information immediately on their screens, resulting in Service improvements. In answer to a question on costs, he responded that the upgraded platform, which would cost £60,000, had been accounted for within the existing budget. He emphasised that this system would be a key development.

RESOLVED: That the report on the National Fraud Initiative be noted.

211 COMPLETED AUDITS

The Chief Internal Auditor introduced a report which summarised for Members the findings of the recently completed audits. He informed Members that levels of control were satisfactory for all audits listed in the report: Main Accounting, School Uniform Grant and Youth Offending Team follow-up. In response to a question from Members on the Youth Offending Team follow up, requested at the last meeting, the Chief Internal Auditor advised that the establishment of a Youth Offending Team budget sub-group had gone some way to addressing the issue of a lack of formal arrangements with partners on short and medium term funding. He advised that the Welsh Assembly Government encouraged planning on a medium term basis and that it had put a grant funding mechanism in place to facilitate this. Members welcomed the positive results of the audit of the Youth Offending Team. The Chief Internal Auditor advised that the original report raised concerns at a strategic level, rather than within the Youth Offending Team itself.

RESOLVED: That the report on Completed Audits be noted.

212 RISK MANAGEMENT

The Assistant Director - Finance informed Members that the report on Risk Management constituted the further report that was agreed at the meeting on 23 August 2007. He advised that two reports per year on risk management would be delivered to the Audit Committee in the future, the first to its November 2007 meeting. He suggested that there was a need to develop a link between the Audit Committee and Council in terms of reporting to both bodies on the topic of Risk Management.

RESOLVED: That Members request the Executive Director - Resources deliver reports on risk management to its November 2007 and March 2008 meetings.

The meeting closed at 3:00pm.