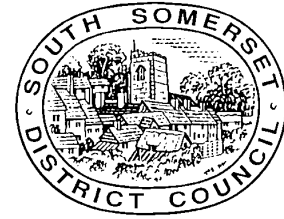


**South Somerset District Council**

*Notice of Meeting*



# Audit Committee

*Making a difference where it counts*

**Thursday 24th March 2016**

**10.00 am**

**Main Committee Room  
Council Offices  
Brympton Way  
Yeovil  
BA20 2HT**

(disabled access and a hearing loop are available at this meeting venue)



The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please ring the Agenda Co-ordinator, **Becky Sanders 01935 462596**, website: [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)

This Agenda was issued on Wednesday 16 March 2016.

A handwritten signature in cursive script, appearing to read 'Ian Clarke'.

*Ian Clarke, Assistant Director (Legal & Corporate Services)*

This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)



INVESTORS IN PEOPLE

# Audit Committee Membership

The following members are requested to attend the meeting:

**Chairman:** Derek Yeomans  
**Vice-chairman:** Tony Lock

Jason Baker  
Mike Beech  
Mike Best

Carol Goodall  
Val Keitch  
Graham Middleton

David Norris  
Colin Winder

## South Somerset District Council – Council Plan

**Our focuses are:** (all equal)

- Jobs – We want a strong economy which has low unemployment and thriving businesses
- Environment – We want an attractive environment to live in with increased recycling and lower energy use
- Homes – We want decent housing for our residents that matches their income
- Health and Communities – We want communities that are healthy, self-reliant and have individuals who are willing to help each other

## Members questions on reports prior to the Meeting

Members of the Committee are requested to contact report authors on points of clarification prior to the Committee meeting.

## Recording and photography at council meetings

Recording of council meetings is permitted, however anyone wishing to do so should let the Chairperson of the meeting know prior to the start of the meeting. The recording should be overt and clearly visible to anyone at the meeting, but non-disruptive. If someone is recording the meeting, the Chairman will make an announcement at the beginning of the meeting.

Any member of the public has the right not to be recorded. If anyone making public representation does not wish to be recorded they must let the Chairperson know.

The full 'Policy on Audio/Visual Recording and Photography at Council Meetings' can be viewed online at:

<http://modgov.southsomerset.gov.uk/documents/s3327/Policy%20on%20the%20recording%20of%20council%20meetings.pdf>

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## **Information for the Public**

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance, to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

The Audit Committee should review the Code of Corporate Governance seeking assurance where appropriate from the Executive or referring matters to management on the scrutiny function.

The terms of reference of the Audit Committee are:

### **Internal Audit Activity**

1. To approve the Internal Audit Charter and annual Internal Audit Plan;
2. To receive quarterly summaries of Internal Audit reports and seek assurance from management that action has been taken;
3. To receive an annual summary report and opinion, and consider the level of assurance it provides on the council's governance arrangements;
4. To monitor the action plans for Internal Audit reports assessed as "partial" or "no assurance;"
5. To consider specific internal audit reports as requested by the Head of Internal Audit, and monitor the implementation of agreed management actions;
6. To receive an annual report to review the effectiveness of internal audit to ensure compliance with statutory requirements and the level of assurance it provides on the council's governance arrangements;

### **External Audit Activity**

7. To consider and note the annual external Audit Plan and Fees;
8. To consider the reports of external audit including the Annual Audit Letter and seek assurance from management that action has been taken;

### **Regulatory Framework**

9. To consider the effectiveness of SSDC's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action is being taken;
10. To review the Annual Governance Statement (AGS) and monitor associated action plans;
11. To review the Local Code of Corporate Governance and ensure it reflects best governance practice. This will include regular reviews of part of the Council's Constitution and an overview of risk management;
12. To receive reports from management on the promotion of good corporate governance;

## **Financial Management and Accounts**

13. To review and approve the annual Statement of Accounts, external auditor's opinion and reports to members and monitor management action in response to issues raised;
14. To provide a scrutiny role in Treasury Management matters including regular monitoring of treasury activity and practices. The committee will also review and recommend the Annual Treasury Management Strategy Statement and Investment Strategy, MRP Strategy, and Prudential Indicators to Council;
15. To review and recommend to Council changes to Financial Procedure Rules and Procurement Procedure Rules;

## **Overall Governance**

16. The Audit Committee can request of the Assistant Director – Finance and Corporate Services (S151 Officer), the Assistant Director – Legal and Corporate Services (the Monitoring Officer), or the Chief Executive (Head of Paid Services) a report (including an independent review) on any matter covered within these Terms of Reference;
17. The Audit Committee will request action through District Executive if any issue remains unresolved;
18. The Audit Committee will report to each full Council a summary of its activities.

Meetings of the Audit Committee are held monthly including at least one meeting with the Council's external auditor, although in practice the external auditor attends more frequently.

Agendas and minutes of this committee are published on the Council's website at [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)

The Council's Constitution is also on the web site and available for inspection in council offices.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

# **Audit Committee**

**Thursday 24 March 2016**

## **Agenda**

### *Preliminary Items*

**1. Minutes**

To approve as a correct record the minutes of the previous meeting held on 25 February 2016.

**2. Apologies for absence**

**3. Declarations of Interest**

In accordance with the Council's current Code of Conduct (adopted July 2012), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the agenda for this meeting. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9.

**4. Public question time**

**5. Date of next meeting**

Councillors are requested to note that the next Audit Committee meeting is scheduled to be held at 10.00am on 28 April 2016 in the Coker Room, Brympton Way, Yeovil.

### *Items for Discussion*

**6. Grant Thornton Audit Committee Update for SSDC (Pages 7 - 22)**

**7. Report on Counter Fraud Work (Pages 23 - 37)**

**8. Exemptions from Procurement Procedure Rules (Pages 38 - 40)**

**9. 2016/17 SWAP Internal Audit Charter (Pages 41 - 44)**

**10. 2016/17 SWAP Internal Audit Plan (Pages 45 - 48)**

**11. Audit Committee Forward Plan (Pages 49 - 50)**

### *Following the close of the meeting*

**12. Training Session for Audit Committee Members (Page 51)**

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# Agenda Item 6

## **Grant Thornton Audit Committee Update for SSDC**

*Assistant Director: Donna Parham, Finance and Corporate Services*  
*Lead Officer: Donna Parham, Assistant Director, Finance and Corporate Services*  
*Contact Details: Donna.parham@southsomerset.gov.uk or (01935) 462225*

### **Purpose of the report**

This report introduces an update on the work of our external auditors Grant Thornton.

### **Recommendations**

The Audit Committee is asked to note the attached report.

### **Introduction**

Considering reports from Grant Thornton is included within the remit of the Audit Committee under its terms of reference as follows:

“To consider the effectiveness of SSDC’s risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action has been taken”

“To consider the reports of external audit and inspection agencies and seek assurance from management that action has been taken”

### **The Report**

The report from Grant Thornton is attached at the end of this report.

### **Financial Implications**

None as a consequence of this report.

### **Background Papers**

None

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# Audit Committee Update

## South Somerset District Council

Year ended 31 March 2016

March 2016

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Making devolution work: A practical guide for local leaders
- Spreading their wings: Building a successful local authority trading company
- Easing the burden, our report on the impact of welfare reform on local government and social housing organisations
- All aboard? our local government governance review 2015
- Knowing the ropes: Audit Committee effectiveness review
- Reforging local Government: financial health and governance review 2015

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

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David Johnson    Engagement Manager        T 0117 305 7727

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# Progress at 24 March 2016

Work	Planned date	Complete?	Comments
<p><b>2015-16 Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2014-15 financial statements.</p>	April 2016	Yes	We will present the annual audit plan at the April Audit Committee
<p><b>Interim accounts audit</b> Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> <li>• updating our review of the Council's control environment</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• proposed Value for Money conclusion.</li> </ul>	March 2016	Yes	The results of our interim work will be included in the annual audit plan presented to the April Audit Committee
<p><b>2015-16 final accounts audit</b> Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2015-16 financial statements</li> <li>• proposed opinion on the Council's accounts</li> <li>• proposed Value for Money conclusion.</li> </ul>	June 2016	Not yet due	The pre-audit Accounts and Annual Governance Statement are due from the Council for audit by Thursday 30 June 2016. It has been agreed with the Council that Accounts will be submitted for audit by Wednesday 1 June. The Audit Findings Report will be presented to the July meeting of the Audit Committee. The deadline for the Auditor's Report is Friday 30 September 2016 and it is envisaged that the Auditor's Report will be presented to the July Audit Committee

# Progress at 24 March 2016

Work	Planned date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work to inform the 2015/16 VfM conclusion has recently been subject to consultation from the National Audit Office. The audit guidance on the auditor's work on value for money arrangements was published on 9 November 2015.</p> <p>Auditors are required to reach their statutory conclusion on arrangements to secure VFM based on the following overall evaluation criterion: <i>In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.</i></p> <p>To help auditors to consider this overall evaluation criterion, the following sub-criteria are intended to guide auditors in reaching their overall judgements:</p> <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties.</li> </ul> <p>We will be required to report by exception if we conclude that we are not satisfied that the Council has in place proper arrangements to secure value for money in the use of its resources for the relevant period.</p>	<p>March/April 2016</p>	<p>In progress</p>	<p>The guidance and supporting information includes:</p> <ul style="list-style-type: none"> <li>• the legal and professional framework;</li> <li>• definitions of what constitute 'proper arrangements';</li> <li>• guidance on the approach to be followed by auditors in relation to risk assessment, with auditors only required to carry out detailed work in areas where significant risks have been identified;</li> <li>• evaluation criteria to be applied;</li> <li>• reporting requirements;</li> <li>• CCG specific guidance.</li> </ul> <p>The guidance is available at <a href="https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/">https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/</a></p> <p>Now that the finalised auditor guidance is available, we will carry out an initial risk assessment to determine our approach and report this in our Audit Plan.</p> <p>Our work will be reported in the Audit Findings Report presented to the July meeting of the Audit Committee.</p>

# Reforging local government: Summary findings of financial health checks and governance reviews

## Grant Thornton market insight

The recent autumn statement represents the biggest change in local government finance in 35 years. The Chancellor announced that in 2019/20 councils will spend the same in cash terms as they do today and that "better financial management and further efficiency" will be required to achieve the projected 29% savings. Based on our latest review of financial resilience at English local authorities, this presents a serious challenge to many councils that have already become lean.

Our research suggests that:

- the majority of councils will continue to weather the financial storm, but to do so will now require difficult decisions to be made about services
- most councils project significant funding gaps over the next three to five years, but the lack of detailed plans to address these deficits in the medium-term represents a key risk
- Whitehall needs to go further and faster in allowing localities to drive growth and public service reform including proper fiscal devolution that supports businesses and communities
- Local government needs a deeper understanding of their local partners to deliver the transformational changes that are needed and do more to break down silos
- elected members have an increasingly important role in ensuring good governance is not just about compliance with regulations, but also about effective management of change and risk
- councils need to improve the level of consultation with the public when prioritising services and make sure that their views help shape council development plans.



Our report is available at <http://www.grantthornton.co.uk/en/insights/reforging-local-government/>, or in hard copy from your Engagement Lead or Engagement Manager.

# CFO Insights– driving performance improvement

## Grant Thornton and CIPFA Market insight

CFO insights is an online analysis tool that gives those aspiring to improve the financial position of their local authority instant access to insight on the financial performance, socio- economy context and service outcomes of every council in England, Scotland and Wales.

The tool provides a three-dimensional lens through which to understand council income and spend by category, the outcomes for that spend and the socio-economic context within which a council operates. This enables comparison against others, not only nationally, but in the context of their geographical and statistical neighbours. CFO Insights is an invaluable tool providing focused insight to develop, and the evidence to support, financial decisions.

We are happy to organise a demonstration of the tool if you want to know more.

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# CIPFA reports and publications

## Local Government Issues

### Audit Panels

In December 2015 the Chartered Institute of Public Finance and Accountancy (CIPFA) published its guidance on the establishment of auditor panels.

Under the Local Audit and Accountability Act 2014 'relevant authorities' are able to appoint their own local auditors via an auditor panel. The Secretary of State for Communities and Local Government has decided to implement a phased introduction of the new local audit framework, with all health bodies and smaller local government bodies moving to the new framework as planned on 1<sup>st</sup> April 2017 and larger local government bodies a year later, on 1<sup>st</sup> April 2018. In practice, this means that smaller local authorities must have appointed their local auditors by 31<sup>st</sup> December 2016 and larger principal authorities by 31<sup>st</sup> December 2017.

The guidance sets out the options available to local authorities in England for establishing an auditor panel; what form such a panel can take; the operation and functions of the panel; and the main task of the panel – that is, advising the authority in connection with the appointment of the local auditor



# Accounts - public rights of inspection and challenge

## Local Government issues: National Audit Office

### Council accounts: a guide to your rights

The NAO has published an updated version of Council accounts: a guide to your rights on its website. The guide has been updated to reflect the new requirements of the Local Audit and Accountability Act 2014, and applies to 2015-16 accounts. The document provides information on how people can ask questions and raise objections about the accounts of their local authority.

<https://www.nao.org.uk/code-audit-practice/council-accounts-a-guide-to-your-rights/>

### Arrangements for the exercise of public rights:

The Accounts and Audit Regulations 2015 set out new arrangements for the exercise of public rights from 2015/16 onwards. A key implication of the Act is that the final approval of the statement of the accounts by an authority prior to publication cannot take place *until after the conclusion of the period for the exercise of public rights*. As the thirty working day period for the exercise of public rights must include the first ten working days of July, authorities will not be able to approve their audited accounts or publish before 15<sup>th</sup> July 2016.

Smaller authorities must also wait until the conclusion of the thirty working day period for the exercise of public rights before publishing their accounts and the auditor's report.

# Results of auditors' work 2014/15

## Public Sector Audit Appointments

Following the closure of the Audit Commission on 31<sup>st</sup> March 2015, Public Sector Audit Appointments (PSAA) became responsible for appointing auditors to local Government bodies and for overseeing the delivery of consistent, high-quality and effective external audit services. The Audit Commission previously published Auditing the Accounts reports for Local Government bodies covering the 2012/13 and 2013/14 financial years. The reports summarised the results of the work of auditors appointed by the Commission at local bodies. This is the first such report published by PSAA, and it summarises the results of auditors' work at 509 principle bodies and 9,755 small bodies. The report covers the timeliness and quality of financial reporting, auditors' local value for money work, and the extent to which auditors utilised their statutory reporting powers.

The timeliness and quality of financial reporting for 2014/15 remained broadly consistent with the previous year for both principal and small bodies, according to Public Sector Audit Appointments Limited's *Report on the results of auditors' work 2014/15: Local government bodies*.

- for principal bodies, auditors at 345 of 356 councils (97 per cent) were able to issue the opinion on the accounts by the statutory accounts publication date of 30<sup>th</sup> September 2015.
- 97 per cent of police bodies and fire and rescue authorities also received the audit opinion by 30<sup>th</sup> September 2015.
- for the second year in a row there have been no qualified opinions issued to date to principal bodies.
- the number of qualified conclusions on value for money arrangements has remained consistent with the previous year at 4 per cent (17 councils, one police body and one fire and rescue authority).

# IFRS 13 'Fair value measurement'

## Accounting and audit issues

The 2015/16 Accounting Code applies IFRS 13 'Fair Value Measurement' for the first time. The standard sets out in a single framework for measuring fair value and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

There is no public sector adaptation to IFRS13 but the Treasury and therefore the Code has adapted IAS 16 Property, Plant and Equipment so that operational assets (providing service potential) are no longer held at fair value but current value. As such IFRS 13 does not apply to operational assets. This new definition of current value means that the measurement requirements for operational property, plant and equipment providing service potential have not changed from the prior year.

However, surplus assets will need to be measured under the new definition of fair value, reflecting the highest and best use from the market participant perspective.

Other areas affected by the new standard include investment property, available for sale financial assets and those items where fair values are disclosed - for example, long term loans and PFI liabilities. IFRS 13 also introduces extensive disclosure requirements.

Local authorities need to:

- identify/ review their classification of surplus assets and investment properties
- discuss IFRS 13 with their property valuers and treasury advisers to ensure that fair values provided are produced in line with the new standard
- update accounting policies and disclosures to reflect the new standard.

## Challenge question

- Has your CFO reviewed the surplus assets and investment property categories to ensure what is included is correctly classified?
- Has your CFO ensured property valuers and treasury advisers are aware of the fair value definitions under IFRS 13?
- Have the accounting policies and disclosures in your accounts been updated to reflect the IFRS 13 requirements?

# Unlodged non-domestic rate appeals

## Accounting and audit issues

Last year, there were primarily no provisions for unlodged non-domestic rates appeals as appeals received on or after 1 April 2015 were only backdated to 1 April 2015. The effect of last years announcement was supposed to put authorities in the position as if the revaluation had been done in 2015 as initially intended before the extension to 2017. This was only a one year reprieve and so any unlodged appeals at 31 March 2016 will only be backdated to 1 April 2015 and therefore may not be material.

However, this year, local authorities will need to estimate a provision for unlodged appeals but as above it may not be material.

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the Code it is in only extremely rare cases that a reliable estimate cannot be made. Therefore, if your local authority does have such an instance, the rationale needs backing up: both in terms of disclosures (as a contingent liability) and in providing evidence to those charged with governance as to why a reliable estimate for the provision cannot be made.

### Challenge question

Has your CFO made plans to assess the need for an unlodged non-domestic rates appeal provision?

# Website re-launch

## Grant Thornton

We have recently launched our new-look website. Our new homepage has been optimised for viewing across mobile devices, reflecting the increasing trend for how people choose to access information online. We wanted to make it easier to learn about us and the services we offer.

You can access the page using the link below -  
<http://www.grantthornton.co.uk/en/insights/?tags=local-government&q=sustainable+communities>

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# Agenda Item 7

## **Report on Counter Fraud Work**

*Assistant Director:* Ian Clarke, Legal and Corporate Services  
*Service Manager:* Lynda Creek, Fraud and Data Manager  
*Lead Officers:* Lynda Creek, Fraud and Data Manager  
Jack Chant, Fraud and Data Intern  
*Contact Details:* lynda.creek@southsomerset.gov.uk Tel: 01935 462204  
jack.chant@southsomerset.gov.uk Tel: 01935 462182

### **Purpose of the Report**

To update the Audit Committee on counter fraud work and progress on the Annual Counter Fraud Action Plan

### **Public Interest**

The prevention and detection of fraud and corruption is a vital part of protecting the public's investment in local authority goods and services to ensure its value is maximised.

### **Recommendations**

The Audit Committee is asked to note the progress on counter fraud work and the revised Annual Counter Fraud Action Plan.

### **Background**

The past year has seen significant changes to the resourcing and focus of counter fraud work at SSDC with the transfer of responsibility, and staff, for investigating Housing Benefit Fraud (HBF), to the Department of Work and Pensions (DWP). This change led to SSDC (and Taunton Deane Borough and West Somerset Councils) contracting with the South West Audit Partnership (SWAP) to provide a counter fraud staff resource to replace that lost through the transfer.

SWAP's new investigative arm, the South West Counter Fraud Partnership (SWCFP) is led by Nick Hammacott, the Investigations' Manager, and is being part-funded, for 2 years, by the Department of Communities and Local Government (DCLG). The SSDC investment is £15K per annum for which it receives 120 days' resource from SWCFP. An annual Investigation Plan, agreed with the Fraud and Data Manager, sets out how these days are to be used to target the key fraud risk areas.

This report below includes an update of the work by SWCFP and other counter fraud work carried out by the new Fraud and Data Intern, Jack Chant, who started in November 2015, and others: all these measures contribute to the robust counter fraud approach in place at SSDC. An updated Annual Counter Fraud Plan is attached for reference.

### **Progress against the Annual Counter Fraud Plan**

The key contributions from SWCFP in the action plan have been in undertaking proactive reviews of key risk areas as shown in Table 1 below. Some of the work has been through

using enhanced, more in-depth type reviews; some through data matching and some through identifying counter fraud recommendations from earlier audits to ensure these measures are implemented.

To date there have been no specific allegations of fraud that have been appropriate for SWCFP to investigate. Most have been linked to HBF and therefore must be referred to the DWP for investigation. Although Council Tax Reduction (CTR) is commonly claimed alongside HB, and all Council Tax fraud remains our responsibility, it would not be a good use of resources to investigate the CTR aspect, separately: the courts would certainly frown on such an approach. We are, therefore, reliant upon receiving the DWP's investigation outcome to guide our action concerning the CTR fraud and ensure housing benefit payments are accurate.

Unfortunately, we have received no feedback on cases referred to DWP since the transfer in June 2015. We met with the local DWP manager, shortly before Christmas, to discuss this matter but were advised that the local office cannot agree any local departure from the national procedure. They did say that if we provided a list of cases, quarterly, they would try to see if they could provide an update of where they were in their system. It should be noted, however, that their response is unlikely to cover all the referrals made because of the way the internal processes at DWP are structured.

These delays also impact on ensuring correct benefit and council tax payments. There is, apparently a joint working group, at a national level, tasked with making the HBF/CTR fraud crossover work but we have been unable to find details of what it has discussed or when any solutions to this issue might be forthcoming. This issue is one which we aim to take forward in the coming months.

SWCFP have delivered Fraud Awareness Sessions both to staff at SSDC and the Somerset Tenancy Fraud Forum. It is planned to roll out such sessions to Members and others in the forthcoming year. Through these events SWCFP publicise the routes for reporting fraud and the Council's new Whistleblowing Policy (which was revised by the former Fraud and Data Intern (Tom Chown)).

**Table 1: Key pieces of work by status**

Investigative work	Status
Social Housing Fraud (Verification on applications)	Draft
Outstanding fraud and corruption recommendations from past audits	Draft
Contract Management – high use contractors	In progress
Duplicate payments	Draft
Fraud Awareness Sessions for staff	In progress
ICT non-standard Expenditure	In progress
Council Tax Discounts and Exemptions	In progress

In addition, there have been 120 fraud referrals from the public and others made through the county wide Somerset Fraud website and fraud hotline since April 2015 which have mainly been for having an undeclared person living in the property or for having undeclared income. Of those 120 referrals, 14 had no substance and 90 were referred on to DWP, which combined with other reasons leaves very few to be dealt with by SWCFP.



The Fraud and Data Intern has also been making progress on the revised policy and will shortly be starting to consult on the draft document.

SSDC has also received funding, under the DWP Fraud and Error Reduction Incentive Scheme (FERIS), which covers Housing Benefit (HB), to undertake additional targeted case reviews to identify unreported changes of circumstances. The exercise has identified HB entitlement reductions amounting to £15,500 a week (annualised £0.8 million p.a.). Where the non-reporting might be fraudulent the case is sent to the DWP.

Some start-up funding was given in 2014/15 (13k); some maintenance funding for 2015/16 (£19k); and a further application for more maintenance funding has been made for 2016/17. There will be another application process next Feb/March for 2017/18.

Since most HB recipients also receive Council Tax Support (CTS) there has been a corresponding reduction in the CTS Scheme. Although DWP do not require data on the CTS reduction, we intend to start collecting this information for 2016/17.

In addition, the Somerset Benefit Managers were successful in securing funding from the major precepting authorities so some additional work in identifying “error” in Council Tax discounts and exemptions (and CTS) could start. The term “error” here means where the discount/exemption recipient’s circumstances have changed but s/he has failed to notify the council of that change.

The Audit Commission estimated that between 3% and 11% of any discounts, reductions and exemptions claimed are either fraudulent or incorrect. We estimate that we can find around 5% error in discounts/exemptions currently awarded. Where error is found it will be removed and if we believe the non-reporting might be fraudulent the case will be passed for investigation. This work is a two year programme, with quarterly progress reports being sent to the major preceptors.

Finally, in the forthcoming year, the Action Plan focus will address the remaining key fraud risk areas, streamline the internal processes for flagging up possible fraud and seek to pick up on the equalities and data management issues around fraud.

## **Financial Implications**

None

## **Council Plan Implications**

The counter fraud work supports the aims of the Council Plan, particularly in relation to Focus Three: Homes and Focus Four: Health and Communities, which can be linked to crime reduction.

## **Equality and Diversity Implications**

None

**Background Papers:**     None



# SSDC COUNTER FRAUD STRATEGY ACTION PLAN

*April 2016 – March 2017*

In conjunction with the content of SSDC's 'Counter Fraud, Theft and Bribery Strategy', this Action Plan has been written to detail the tasks, subject to resources, which we aim to complete in the period 01<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017 and to give an update on progress over the last year. The Action Plan comprises four distinct sections, and within each, the tasks are listed in a descending order in terms of their priority.

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**Lynda Creek:** Fraud and Data Manager

**Jack Chant:** Fraud and Data Intern

*March, 2016*

**1) RAISING AWARENESS OF FRAUD:**

Ref	Key task	Status	Additional Comments
1.1	<b>A periodic fraud risk assessment to be commissioned.</b> This will enable SSDC to gain a more detailed awareness of the severity of corporate fraud risks, and those most in need of prompt counteraction. The need for such an assessment was endorsed by SWAP in a recent fraud audit. Completing the task is contingent upon securing the necessary counter fraud resources to undertake whatever mitigation work is identified.	No overall risk assessment, however most areas have had either a recent audit by SWAP or an investigative review by SWCFP.	Software from CIPFA has been used to estimate fraud losses within South Somerset, though these figures need to be quantified through undertaking a more detailed assessment.
	<b>Section in Fraud Strategy</b>	1.2, 1.19, 2.16, 3.8, 5.1	SWAP Audit: 1.1a
	<b>Priority</b>	High	
	<b>Resources</b>	SWAP to carry out assessment, as agreed with Fraud and Data Manager & S151 Officer	
	<b>Outcome</b>	Awareness of the scope and degree of corporate fraud risks, as well as the means to alleviate them	
	<b>Performance Measures</b>	When a regular occurrence, comparing risk assessments will show the extent of any progress achieved	

Ref	Key task	Status	Additional Comments
2	<b>The content relating to fraud on both 'InSite' and the external webpage to be updated.</b> Both websites have been brought into line with the Strategy, and clearly state the Council's zero tolerance approach to fraud. Links will be provided to the range of counter fraud policies and procedures, including safe reporting routes, as and when they are finalised. A single fraud hotline and a dedicated website for Somerset have been established, and steps are being taken to ensure that reporting routes are as efficient as possible.	InSite and the external website are both up to date and will be updated with new policies, procedures etc. as appropriate. There does need to be a review of the internal reporting routes to ensure they work effectively.	The Fraud and Data intern is now trained to edit both websites, enabling revisions to take place. The website 'somersetfraud.gov.uk' has been launched to enable referrals from the public.
	<b>Section in Fraud Strategy</b>	2.1	
	<b>Priority</b>	Medium-High	
	<b>Resources</b>	Fraud and Data Intern, in correspondence with the Fraud and Data Manager	
	<b>Outcome</b>	A user-friendly website, which in addition to listing SSDC Policy, clearly and concisely promotes zero tolerance culture, the duty to report suspicions, and the expedient reporting routes available to do so	
	<b>Performance Measure</b>	Analysis of website content in comparison with best practice, and an increase in successful referrals	

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**1) RAISING AWARENESS OF FRAUD:**

Ref	Key task	Status	Additional Comments
1.3	<b>Employee/Member training and awareness sessions to be provided.</b> As all SSDC staff and members play a role in the delivery of the Counter-Fraud, Theft and Bribery Strategy, the training provided by SWCFP signposts information relating to fraud, the Council's zero tolerance culture, and the duty to report any reasonable suspicions in accordance with procedures outlined in the Council's Whistleblowing Policy. The counter fraud training will be promoted throughout the organisation.	Fraud Awareness Sessions have been delivered for a large proportion of staff and a slightly revised version will be prepared for members in the future.	The Fraud Awareness Sessions are being delivered by SWCFP.
	<b>Section in Fraud Strategy</b>	2.1, 2.12, 3.25, 3.36	SWAP Audit: 1.4b
	<b>Priority</b>	Medium	
	<b>Resources</b>	SWCFP, in conjunction with the Fraud and Data Manager and HR	
	<b>Outcome</b>	Staff awareness of fraud risks, key aspects of policy, and the appropriate procedures to follow	
	<b>Performance Measure</b>	Comprehension of policy, assisted by the mandatory undertaking of the fraud awareness module	

Ref	Key task	Status	Additional Comments
1.4	<b>A fraud awareness induction for all new employees and all recently elected members to be provided.</b> Linking with the module devised for counter fraud training (see 1.2), fraud awareness will be provided during the Induction session for new employees, and the Member's Development for new members. Using the Strategy as a focal point, the content will raise awareness of the standards of conduct expected, the need to make an appropriate disclosure of interests, gifts, and hospitality, the appropriate means to report suspicion of misconduct, and where to seek further advice.	Yet to be included in inductions, the current priority is to get the Fraud Awareness to all current staff and then to members and new employees.	Counter fraud was included in the member's induction programme from May 2015.
	<b>Section in Fraud Strategy</b>	2.1, 2.12, 3.12, 3.17, 3.25	
	<b>Priority</b>	Medium	
	<b>Resources</b>	Fraud and Data Manager, in conjunction with HR and Democratic Services Manager	
	<b>Outcome</b>	All new staff will be aware of the zero tolerance approach to Fraud, as well as how to report suspicions	
	<b>Performance Measure</b>	Feedback sessions and questionnaires at the end of each counter fraud induction session	

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**1) RAISING AWARENESS OF FRAUD:**

Ref	Key task	Status	Additional Comments
1.5	<p><b>Appropriate guidance on publicising Counter Fraud incidents to be developed.</b> In order to improve the methods through which the Council raise awareness of what constitutes fraud and the means to report fraudulent acts, the way that counter fraud guidance is delivered will be examined. As part of this process, the issues surrounding the publication of internal and external frauds will be brought before both senior management and members for consideration, and once agreed, the guidance will be disseminated as widely as appropriate as part of the Counter Fraud, Theft and Bribery Policy.</p>	<p>Now to be included in Counter Fraud Policy and will be brought before members and management in due course. Less urgent now as investigations are mostly led by DWP.</p>	<p>Traditionally there has been a reluctance to publish any incidences of internal fraud due to possible damage to SSDC's reputation, but this mind set is changing. Acknowledging any weaknesses leads to the formation of better safeguards.</p>
	<p><b>Section in Fraud Strategy</b> 4.2</p>	<p>SWAP Audit: 2.1a</p>	
	<p><b>Priority</b> Medium-Low</p>		
	<p><b>Resources</b> Fraud and Data Intern, in partnership with the Communications Team</p>		
	<p><b>Outcome</b> A clear programme of Counter Fraud publications, endorsed by the Communications Team</p>		
	<p><b>Performance Measure</b> Assessing the use of publications by comparing current and previous tip-offs, detection rates etc. will give an indication as to how effective such campaigns are in reducing the extent of fraud</p>		

2) ESTABLISHING A POLICY FRAMEWORK:			
Ref	Key task	Status	Additional Comments
2.1	<b>The SSDC Counter Fraud, Theft and Bribery Policy to be fundamentally revised.</b> The Policy will assist decision making by concisely describing SSDC's approach to fraud, theft, bribery, acts of dishonesty and the abuse of a position of trust. The Policy will be available to all employees, members, contractors and third parties, and will provide them with links to other documents in the counter fraud governance framework.	The Policy has been drafted and is undergoing minor review before being issued for consultation and will then go through the approval process.	An accessible Counter Fraud Policy is in place, but it has not been updated since 2007, and therefore needs to be re-drafted to bring it in line with the content of the Strategy.
	<b>Section in Fraud Strategy</b>	1.5, 2.1, 2.8, 4.8	SWAP Audit: 1.1b
	<b>Priority</b>	High	
	<b>Resources</b>	Fraud and Data Intern, in conjunction with the Fraud and Data Manager	
	<b>Outcome</b>	A relevant and up to date Fraud Policy, which corresponds closely with the newly approved Strategy	
	<b>Performance Measure</b>	Staff and members understand the correct procedure to implement upon receiving allegations of fraud, and find the content of the Policy assists with their decision making	
Ref	Key task	Status	Additional Comments
2.2	<b>A Fraud Response Plan to be drafted for approval by both senior management and members.</b> The Plan will first detail the appropriate measures to undertake should corporate fraud be discovered, and then, as corporate fraud is perpetrated in a variety of ways, the Plan will provide specialised investigative guidance which corresponds to the particular type of fraud, and ensures that the correct operating protocols and appropriate resources/skill sets are deployed.	Large sections of the Fraud Response Plan have been included into the Counter Fraud Policy so the Response Plan may not need to be separate.	A first draft of the Plan has been completed, and additional content is being discussed. Before completion, the appropriate investigative resources must be determined for inclusion into the Plan.
	<b>Section in Fraud Strategy</b>	1.5, 1.9, 4.24	SWAP Audit: 1.1b
	<b>Priority</b>	High	
	<b>Resources</b>	Fraud and Data Intern, in conjunction with the Fraud and Data Manager	
	<b>Outcome</b>	A comprehensive reference point which provides a specific recourse following any incidence of fraud	
	<b>Performance Measures</b>	Evaluation as to the effectiveness of the Fraud Response Plan following any facet of fraud perpetrated	

2) ESTABLISHING A POLICY FRAMEWORK:

Ref	Key task	Status	Additional Comments
2.3	<b>As part of the overall Counter Fraud Policy (see 2.2) a Formal Sanctions Policy to be drafted for approval by Senior Management and Members.</b> The Sanctions Policy, which has now been incorporated into the Counter Fraud Policy, will detail generally how specific sanctions are to be applied in relation to a list of criteria to be taken into consideration in each case. The Policy will also ensure that the action taken corresponds to the particular type and scale of the fraud, and that any necessary financial compensation or other forms of redress are achieved.	Now included in Counter Fraud Policy, currently in draft and undergoing minor review.	Though the application of the appropriate sanctions is relatively consistent in relation to the type of fraud discovered, there is no formal Sanctions Policy to demonstrate the procedures currently in place.
	<b>Section in Fraud Strategy</b>	1.5, 2.1, 4.21	SWAP Audit: 1.4a
	<b>Priority</b>	Medium-High	
	<b>Resources</b>	Fraud and Data Intern, in association with the Investigation Team and Legal Services	
	<b>Outcome</b>	A clear and consistent policy on the application of sanctions where fraud is proven	
	<b>Performance Measure</b>	Review of the policy so as to ensure sanctions are applied evenly, and to further safeguard the Council	

Ref	Key task	Status	Additional Comments
2.4	<b>The SSDC independent Whistleblowing Policy to be revised.</b> The Whistleblowing Policy has now been revised and approved and has been disseminated to all employees, members, contractors and third parties so that the procedures within become as widely adopted as possible. There will be continued effort to promote the Policy, including references to it in the Counter Fraud Policy	Completed and on InSite and the website.	The SSDC 'Whistleblowing Policy and Procedure' has not been updated since 2007, and whilst it provides a good basic grounding, it needs revision to accord with new guidelines.
	<b>Section in Fraud Strategy</b>	1.15, 2.1, 2.8, 3.15, 3.20, 4.3, 4.8	SWAP Audit: 2.2a
	<b>Priority</b>	Medium-High	
	<b>Resources</b>	Fraud and Data Intern, in correspondence with the Fraud and Data Manager	
	<b>Outcome</b>	A concise and relevant Whistleblowing Policy which corresponds with the content in the Strategy	
	<b>Performance Measure</b>	Feedback from the appropriate officers to design out any vulnerability to the risk of fraud, and the number of fraud referrals received through this route	

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2) ESTABLISHING A POLICY FRAMEWORK:

Ref	Key task	Status	Additional Comments
2.5	<p><b>An Annual Fraud Programme to be presented to Audit Committee to keep them informed of counter fraud work.</b> The Audit Committee are obligated to make certain that counter fraud and corruption arrangements are in place, and accordingly, an annual Fraud Programme should be delivered to them. The Plan will assess the effectiveness of corporate fraud initiatives in the previous six months, and any areas in need of revision. The Plan will also detail initiatives for the next six months, including how the resources available are to be focused towards the most severe fraud risks.</p>	The report and this revised Action Plan constitute the Fraud Programme.	No progress towards Biannual Plan specifically, but the Fraud Programme will consist of an updated Action Plan and an accompanying report.
	<p><b>Section in Fraud Strategy</b> 1.5, 1.21, 2.12, 5.2</p> <p><b>Priority</b> Medium</p> <p><b>Resources</b> Fraud and Data Intern to draft the format, and Fraud and Data Manager to present report each year</p> <p><b>Outcome</b> An Annual Programme which details the successes in countering fraud, and the areas to be revised</p> <p><b>Performance Measure</b> Once an initial report is drafted, future success will be determined by comparison with the previous year</p>	SWAP Audit: 1.1b	

Ref	Key task	Status	Additional Comments
2.6	<p><b>An Overview Spreadsheet of Fraud Occurrences to be established to list past incidences of corporate fraud.</b> This would provide a complete picture of fraud incidents and risks across the Council, detailing what type of fraud took place, the method(s) through which it came to light, and the safeguards needed to stop a reoccurrence. By sharing the lessons learnt, and by critically examining the procedures followed when fraud has been discovered, a clear indication of risks will become apparent, as will the processes which remain effective, and the practices requiring amendment.</p>	It has proved difficult finding information about previous frauds, and so the decision was made to focus on obtaining and ensuring implementation of the previous audit recommendations.	An overview of Fraud Occurrences in the future will be maintained, but it is unlikely that previous frauds will be able to be included.
	<p><b>Section in Fraud Strategy</b> 1.7, 1.20, 2.2</p> <p><b>Priority</b> Medium-Low</p> <p><b>Resources</b> Case files to be provided by Service Managers, Investigations Team, and SWAP.</p> <p><b>Outcome</b> A Spreadsheet detailing historic instances of fraud for the use of the Fraud and Data Manager</p> <p><b>Performance Measure</b> A more comprehensive picture of fraud risks, minimising the risk of similar fraud reoccurring</p>		

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3) PROCEDURAL CHANGES:

Ref	Key task	Status	Additional Comments
3.1	<p><b>The remit of the Corporate Governance Group (CGG) to be extended to include specific reference to counter fraud work.</b> At such time, membership of the CGG should be granted to the Fraud and Data Manager, so that she is in the communication loop on fraud related issues. This will enable direct awareness as to the extent of fraud risks both within and across different departments, as well as how such matters fit with other governance issues. The CGG will also have a chance to be briefed by the Fraud and Data Manager on relevant fraud risks.</p>	<p>It is not felt necessary by the Monitoring Officer and S151 Officer for the Fraud and data manager to be a formal member of this Group as there is two-way communication between the CGG and the Fraud and Data Manager.</p>	<p>Any issues can be sent to the CGG, and as and when this is necessary will provide a platform to raise the general issue surrounding the CGG.</p>
	<p><b>Section in Fraud Strategy</b> 2.11</p> <p><b>Priority</b> High</p> <p><b>Resources</b> Assistant Director – Legal and Corporate Services, Fraud and Data Manager</p> <p><b>Outcome</b> Fraud is specifically addressed by Senior Management. Fraud and Data Manager included in CGG</p> <p><b>Performance Measure</b> CGG has a wider remit and membership, demonstrating the corporate adoption of counter-fraud</p>	<p>SWAP Audit: 1.2a</p>	
Ref	Key task	Status	Additional Comments
3.2	<p><b>The Risk Management System (TEN) to be revised so that all corporate fraud risks are integrated.</b> Rather than being listed amongst other operational risks by each service, corporate fraud risks should be located under one section on the system. The current system hinders a true picture of corporate fraud being developed, but if all risks associated with corporate fraud can be brought together, then a clearer and more accurate assessment of such risks can be made.</p>	<p>There is an inherent weakness in the TEN system in only allowing each risk to be in one category.</p>	<p>Longer term we need to develop an agreed consistent approach to categorising all risks. Hopefully, a centralised means exists to achieve this task.</p>
	<p><b>Section in Fraud Strategy</b> 3.3, 4.4, 4.5</p> <p><b>Priority</b> Medium-High</p> <p><b>Resources</b> Fraud and Data Manager, with services managers to complete the procedural change necessary</p> <p><b>Outcome</b> Fraud &amp; Data Manager has a detailed awareness of the preparedness of other departments concerning the potential risks they face from fraud, and what each department is doing to mitigate these risks</p> <p><b>Performance Measure</b> A greater understanding of all risks that the Council face in relation to fraud</p>	<p>SWAP Audit: 1.2a</p>	

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**3) PROCEDURAL CHANGES:**

Ref	Key Task	Status	Additional Comments
3.3	<p><b>The Fraud and Data Manager to be able to access SWAP Reports commissioned by SSDC on issues related to fraud.</b> Linking with task 2.6, this would enable the Fraud and Data Manager to gain awareness of all audit recommendations concerning counter fraud issues. As things stand, the Assistant Director – Finance receives a copy of every audit report produced by SWAP as a result of their analysis into the Council’s procedures, policies and safeguards. Inclusion would provide detailed insight into departmental measures to prevent fraud, as well as the cross-departmental ability of SSDC as an organisation to mitigate losses.</p>	We have now received the recommendations re fraud issues made in the audit reports for the last few years.	Now that we have received the recommendations, there can be a review into whether and how they have been implemented.
	<p><b>Section in Fraud Strategy</b> 2.1, 2.9, 2.11 3.2, 3.4, 4.5</p> <p><b>Priority</b> Medium</p> <p><b>Resources</b> Assistant Director – Finance and Corporate Services, Fraud and Data Manager</p> <p><b>Outcome</b> Thorough understanding of measures taken to prevent fraud through access to all SWAP documents</p> <p><b>Performance Measure</b> Once access is granted, comparison of annual performance through SWAP reports can be achieved</p>		

Ref	Key task	Status	Additional Comments
3.4	<p><b>A monitoring system to be devised so that delivery of the Action Plan does not have an adverse impact upon protected characteristics.</b> Such an assessment will give due consideration to the varying requirements of the residents of South Somerset. This will include measures to ensure accessible external documents, inclusive in-house training, and policies/procedures which have no adverse impact upon protected characteristics.</p>	Public referrals and how investigations are done at DWP are out of our hands, but we will be reviewing the internal referrals with a view to equalities.	There will be ongoing communication with the Equalities Officer to ensure that any adverse effects resulting from the completion of tasks are made apparent and then mitigated.
	<p><b>Section in Fraud Strategy</b> 1.20</p> <p><b>Priority</b> Medium-Low</p> <p><b>Resources</b> Fraud and Data Intern, Equalities Officer</p> <p><b>Outcome</b> The successful undertaking of the Action Plan, without disadvantaging protected characteristics</p> <p><b>Performance Measure</b> Assessment of the monitoring system by the Equalities Officer and the Equalities Steering Group</p>		

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**4) PROACTIVE COUNTER FRAUD INITIATIVES:**

Ref	Key task	Status	Additional Comments
4.1	<p><b>The county-wide fraud hotline and dedicated website for the reporting of all types of corporate fraud to be reviewed.</b> It was recognised that enabling people across the county to report fraud in one place could lead to a substantial reduction in corporate fraud losses, and so a variety of mediums have been put in place for those wishing to register their suspicions of malpractice. To ensure effectiveness, the hotline and website need to be reviewed, in terms of the number of users, the accessibility of the services, and the quality of the data generated through fraud referrals.</p>	Working well for the public, but seems a slightly different system needs to be implemented for internal referrals so as to not use staff time inefficiently.	The hotline and the website 'somerseffraud.org.uk' have been established, with the legal team receiving referrals and forwarding them on as appropriate. The volume of referrals received through the hotline and the website are continuously monitored.

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<b>Section in Fraud Strategy</b>	1.15, 2.1, 4.3, 4.7
<b>Priority</b>	High
<b>Resources</b>	Senior Management to establish the resources available. Hotline and website need to be administered
<b>Outcome</b>	Fraud hotline and website to be reviewed, ensuring simple means of reporting misconduct are in place
<b>Performance Measure</b>	Success of campaign monitored through number of referrals and quality of data received

Ref	Key task	Status	Additional Comments
4.2	<p><b>Future resources to receive referrals through the fraud hotline and website to be considered.</b> Prompted by the Prevention of Social Housing Fraud Act (2013), which gives councils sole power in the prosecution of tenancy offences, a campaign known as 'Know a Cheat in Your Street' was run by the Somerset Tenancy Fraud Forum. In order to ensure the success of this campaign, consideration needs to be given to the resources in place to handle fraud referrals, as although the Investigations team at SSDC currently receive them, they are due to transfer to DWP in the near future.</p>	Current referrals are being handled efficiently but resources may need review if the number of referrals increases markedly.	For the time being, SSDC staff are handling all Somerset referrals, and passing them to the appropriate local authority or housing association.

<b>Section in Fraud Strategy</b>	1.5, 1.18, 1.19, 3.10, 5.2
<b>Priority</b>	Medium-High
<b>Resources</b>	Senior Management to establish the resources available. In-house staff could be retained in some way
<b>Outcome</b>	Arrangements to ensure that the data generated through fraud referrals continues to be investigated
<b>Performance Measure</b>	Successful investigation of hotline and website referrals, and recovery of any fraud losses

**4) PROACTIVE COUNTER FRAUD INITIATIVES:**

Ref	Key task	Status	Additional Comments
4.3	<p><b>More probing and directed investigative reviewed to be conducted in key areas of fraud risk.</b> In addition to the regular audits undertaken by SWAP into reducing fraud, the SWCFP have been contracted to conduct investigative reviews into several specific at risk areas.</p> <p>I) <b>Social Housing Tenancy Fraud:</b> The common need register has been recognised as an area at risk from fraud, and so a thorough audit is seen as means to analyse the resilience of current arrangements.</p> <p>II) <b>Procurement fraud:</b> An assessment of procurement procedures in relation to the main suppliers is currently underway. Procurement fraud is a significant area of loss, and it has been identified that a more probing type of audit is needed to test the effectiveness of the current procedures in place at SSDC. In addition non-standard ICT procurement is also under review.</p> <p>III) <b>Council tax discounts and exemptions:</b> Measures will be taken to evaluate the extent of fraud around council tax administration particularly under exemptions and discounts e.g. the single person's discount.</p> <p>IV) <b>Grant Fraud:</b> The potential for fraud to occur at the stages before and after the awarding of a grant has been recognised, and therefore, a more focused audit is needed to assess the quality of the preventative measures in place at both of these stages.</p> <p>V) <b>Insurance Fraud:</b> It has been seen nationally that significant sums of public money are lost to insurance fraud. Therefore, we need a detailed review of the procedures at SSDC to assess the current controls in place.</p>	<p>The Social Housing Tenancy Fraud Review is currently being finalised.</p> <p>The Investigations into Procurement are currently underway.</p> <p>SWCFP are working with Revenues and Benefits in regard to Council Tax Discounts and Exemptions.</p>	<p>Grant Fraud and Insurance Fraud are the likely next areas for Investigative reviews once the current investigations have been completed.</p> <p>In addition to the investigative reviews conducted by SWCFP, the Assistant Director - Finance has agreed to allocate up to 20 days of audit time, to complete the regular audits with a fraud bias in other areas that have not been covered recently.</p> <p>The need for a procurement audit, undertaken in specific comparison to the document produced by the LPSCFP has been approved by the Assistant Director – Finance.</p>
	<p><b>Section in Fraud Strategy</b></p> <p><b>Priority</b></p> <p><b>Resources</b></p> <p><b>Outcome</b></p> <p><b>Performance Measure</b></p>	<p>2.1, 3.7, 3.19 , 4.1, 4.6</p> <p>Medium</p> <p>Senior Management to establish resources. SWAP usage depends on the number of days available</p> <p>Evaluation as to the effectiveness of safeguards in place to prevent grant fraud from occurring</p> <p>Identification of the areas and safeguards relating to corporate fraud which are in need of revision</p>	

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**4) PROACTIVE COUNTER FRAUD INITIATIVES:**

Ref	Key task	Status	Additional Comments
4.4	<b>Somerset Councils to be engaged in the fraud referral process on the website 'somesetfraud.org.uk'.</b> Though capable of receiving referrals in all Somerset authorities, all information will initially be directed to the SSDC Fraud Investigation Team. This cannot continue indefinitely due to resource issues, so discussions with other councils in Somerset must take place to delegate the workload appropriately, and to ensure resources for the future.	No progress as yet, although not a high priority as in reality virtually all the referrals that have come through are relating to South Somerset.	Because Investigation staff transferred to SFIS under DWP, consideration needs to be given as to how referrals are to be processed and acted upon in the long-term by each council.
	<b>Section in Fraud Strategy</b>	1.15, 2.1, 4.3, 4.7	
	<b>Priority</b>	Medium	
	<b>Resources</b>	Senior Management of other Somerset Councils to establish the available resources in their authority	
	<b>Outcome</b>	Resources for handling county wide referrals established at other Somerset Councils	
	<b>Performance Measure</b>	Further promotion of the website, and the ease with which the data reaches the appropriate authority	

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Ref	Key task	Status	Additional Comments
4.5	<b>Discussions with Somerset County Council to be held over the financing of further resources to investigate council tax fraud.</b> Considering that the principal sum (just over 70%) of council tax levied goes to the County Council, SSDC will discuss the financing of resources to investigate the fraudulent receipt of council tax discounts or exemptions with SCC, as it is they who principally benefit from any sums recovered. Council tax fraud has not traditionally been treated as such by the Council, with prosecutions rarely occurring. However, the shift from centralised to localised administration of council tax has meant that financial losses are felt more directly by the Council, so SSDC should reassess its response.	The Somerset Benefit Managers have sought financial contribution from the major precepting authorities for additional resources to aid in identifying errors in Council Tax Discounts and Exemptions.	It may be that in the future, operations and investigations against the perpetration of council tax discount fraud are taken over by the SFIS under DWP, but for now, this is a notable concern, and SSDC need further resources to effectively combat this form of corporate fraud.
	<b>Section in Fraud Strategy</b>	3.7	
	<b>Priority</b>	Medium-Low	
	<b>Resources</b>	Senior Management to establish the resources available	
	<b>Outcome</b>	A schedule of meetings, undertaken with the aim of securing further investigative resources from SCC	
	<b>Performance Measure</b>	A clear decision as to the provision of further resources, as well as the attitude SSDC are to adopt	

# Agenda Item 8

## **Exemptions From Procurement Procedure Rules**

*Assistant Director:* Donna Parham, Finance and Corporate Services  
*Service Manager:* Gary Russ, Procurement and Risk Manager  
*Lead Officer:* Gary Russ, Procurement and Risk Manager  
*Contact Details:* gary.russ@southsomerset.gov.uk or 01935 462076

### **Purpose of the Report**

This report updates members of the Audit Committee on any requested exemptions from the Procurement Procedure Rules during the last financial year. Under the revised rules officers are required to advise the Procurement and Risk Manager of the use of any exemption from those rules. The new rules gave greater freedoms in terms of financial limits under which officers can place business. As per previous formats I have attempted to give a further summary on any procurement issues that may have required the awarding officers to seek clarification from me. I have only included commentary on the significant ones in this report but many other smaller items do get discussed with me in the course of my day to day activities.

### **Recommendation**

That members note the report.

### **Background**

A considerable amount of procurement advice was provided during the year.

The following is an extract from the current Procurement Procedure Rules. As can be seen from the above, officers are in the main seeking my advice and input into the procurement decisions they are making. This is a positive improvement – the rule is outlined below:

Officers claiming exemption from the rules under any clause under section 3 must ensure that they have obtained clarification and agreement from the Procurement and Risk Manager prior to proceeding. Failure to do so will be deemed to be a breach of these rules. The exemptions given will be evidenced to Audit committee and they will act as advisors in this regard and advise the Procurement Manager if any actions taken concern them.

- (a) The following exemptions may be given with the written approval of the Procurement and Risk Manager who will record of each such approval with reasons for it being granted: -
  - (i) Where a contract for the execution of works or the undertaking of services or the supply of goods involves highly specialised technical, scientific or artistic knowledge such that it is not possible to achieve competitive tenders;
  - (ii) Where the work to be executed or the goods or materials to be supplied consists of repairs to or the supply of parts for existing machinery or plant or are additions to an existing style or design which would involve the council in greater cost and additional work in trying to harmonise two

differing systems, designs or solutions;

- (iii) Where the purchases are of patented or proprietary items and any form of tendering would not be appropriate.
- (iv) Where best value is more likely to be achieved by approaching one contractor or consultant.

## Report

Outlined below is an overview of procurement activity as well as any exemptions that officers have used under the Procurement Procedure Rules. I have listed any exemptions, advice on procurement processes, and procurements where officers needed clarification on procedure and direction.

Major: - Exemption request or clarification sought.

- **New sound system for Octagon circa £50K**  
The purchase of a new sound system for the Octagon Theatre required an exemption because a small but experienced company was chosen but the purchase of the equipment would have adversely affected their cash flow. I was able to work with the officers to find a suitable way forward in sharing the risk with the provider.
- **Contaminated land reclamation circa £70K**  
Continuing to work with Environmental Health on a contaminated land issue at a private residence in Langport. The Environment Agency's approved contractor listing and framework agreement was used to run a mini tender. This resulted in only one contractor being prepared to submit a proposal, all 5 other contractors refused to bid. I approved the process as being compliant with our PPRs. We currently await external funding from the EA to complete the works.
- **Using Council web site to generate advertising revenue**  
Worked with a single supplier to supply advertising revenue from the council web site. This is a new venture for councils in England and as far as we were able to ascertain only one supplier currently offers this type of solution. I concluded that this solution did conform to an exemption as stated within the current PPRs. The council now earns income from advertisers on our web site.
- **Replacement Windows Lufton Deport Circa £8K**  
Use of single supplier to replace some failed double glazed window units at Lufton. This required a degree of design work and innovative thinking on the part of the supplier so as to be able to match the exterior panels on the building. Only one local company came forward with a design solution that worked and looked acceptable. Single supplier due to technical needs complied with PPRs.
- **Bus shelter replacement £5,300**  
Single supplier chosen to ensure all of the bus shelters across Yeovil are the same.
- **Replacement pump set at Birchfield land fill site circa £30K**  
SSDC use a specialist contractor to service, maintain, and monitor the leachate and gas waste coming from the Birchfield site. This company designed the current plant set up and maintain it for us. We have used the contractor to design and source a replacement drop in

pump set for the plant. We therefore used a single tender solution in compliance with PPRs. As per section 3.3 (a) (i) & (iv).

- **Retain Marketing consultant (area North) £10K**

Area North had used a local Marketing Consultant to promote local business after the flooding in 2014. The consultant did an excellent piece of work and I was asked if I would approve the reengagement of the same consultant to do some additional work up to the £10K limit as an extension of the earlier engagement. I approved this as the knowledge now held by the consultant and the service we had already received indicated that Best Value would be best served by using the same contractor.

## **In Summary**

This is a summary of the more significant issues I have dealt with over the previous 12 months, many other lower scale financial examples exist, however I have tried here to appraise members of the shape, size and type of exemption opportunities officers are presenting to me for clarification on.

In accordance with members wishes SSDC procurement actively seeks out opportunities to collaborate with others to save money, effort and time and to gain from others experiences. To this end during the research work undertaken with Sedgemoor District Council we have compared pricing over a range of services and products. This in the main has supported the view that both councils enjoy largely comparative pricing for similar services and or products. SSDC were significantly better in terms of the price it was paying for energy via our agreement details of which have been passed on to SDC.

I believe the changes we have made to the Procurement Procedure Rules are effective and officers are now actively seeking my advice on a regular basis. However, I will be carrying out some further awareness training this year to ensure officers continue to seek my involvement in the process.

*Background Papers: Procurement Procedure Rules*

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# Agenda Item 9

## **2016/17 SWAP Internal Audit Charter**

*Head of Service:* Gerry Cox, Chief Executive - SWAP  
*Lead Officer:* Moya Moore - Assistant Director, SWAP  
*Contact Details:* moya.moore@southwestaudit.co.uk

### **Purpose of the Report**

To obtain endorsement from Members for the Internal Audit Charter and ensure that the Audit Committee is informed of the purpose of this Charter which is to set out the nature, role, responsibility, status and authority of internal auditing within South Somerset District Council, and to outline the scope of internal audit work.

### **Recommendation**

That the Audit Committee approves the Internal Audit Charter.

### **Background**

The Internal Audit service for SSDC is provided by South West Audit Partnership Ltd (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors, and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).

The internal audit service, provided by South West Audit Partnership Ltd (SWAP), works to a charter that defines its roles and responsibilities and the roles and responsibilities of the District Council's managers. Best Practice in corporate governance requires that the charter be reviewed and approved annually by the Audit Committee. The Charter was last reviewed by the Audit Committee at their meeting on 25 June 2015.

### **Financial Implications**

There are no financial implications associated with these recommendations.

**Background Papers:** None

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## Internal Audit Charter

### Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within the South Somerset District Council, and to outline the scope of internal audit work.

### Approval

This Charter was approved by the Audit Committee on 24<sup>th</sup> March 2016.

### Provision of Internal Audit Services

The internal audit service is provided by the South West Audit Partnership Limited (SWAP). SWAP is a Local Authority controlled company. This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by the Council, in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the Council, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the Council's level of contribution to SWAP. This is reviewed each year by the Assistant Director – Finance and Corporate Services in consultation with the Chief Executive of SWAP.

### Role of Internal Audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### Responsibilities of Management and of Internal Audit

#### *Management<sup>1</sup>*

Management is responsible for determining the scope, except where specified by statute, of internal audit work and for deciding the action to be taken on the outcome of, or findings from, their work. Management is responsible for ensuring SWAP has:

- the support of management and the Council; and
- direct access and freedom to report to senior management, including the Council's Chief Executive and the Audit Committee.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Authority. Management is also responsible for the appropriate and effective management of risk.

#### *Internal Audit*

Internal audit is responsible for operating under the policies established by management in line with best practice.

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<sup>1</sup> In this instance Management refers to SSSDC Management.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS); SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. Members of SWAP who have transferred in to the department from other areas of South Somerset District Council will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

### **Relationship with the External Auditors/Other Regulatory Bodies**

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

### **Status of Internal Audit in the Organisation**

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. The Chief Executive of SWAP and the Assistant Director also report to the Assistant Director –Finance and Corporate Services as Section 151 Officer, and reports to the Audit Committee as set out below.

Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

### **Scope and authority of Internal Audit work**

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work is entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of South Somerset District Council.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the Council and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether South Somerset District Council is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;

- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- reviewing the operations of the council in support of the Council's anti-fraud and corruption policy.
- at the specific request of management, internal audit may provide consultancy services provided:
  - the internal auditors independence is not compromised
  - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
  - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources within the annual audit plan
  - management understand that the work being undertaken is not internal audit work.

### **Planning and Reporting**

SWAP will submit to the Audit Committee, for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager and Assistant Director. SWAP will report at least four times a year to the Audit Committee. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Audit Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Assistant Director – Finance and Corporate Services and to other relevant line management.

The Chief Executive of SWAP will submit an annual report to the Audit Committee providing an overall opinion of the status of risk and internal control within the council, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and the Assistant Director have the unreserved right to report directly to the Leader of the Council, the Chairman of the Audit Committee, the Council's Chief Executive Officer or the External Audit Manager.

Revised March 2016

# Agenda Item 10

## **2016/17 SWAP Internal Audit Plan**

*Head of Service:* Gerry Cox, Chief Executive - SWAP  
*Lead Officer:* Moya Moore- Assistant Director  
*Contact Details:* moya.moore@southwestaudit.co.uk

### **Purpose of the Report**

As a key element of its Governance arrangements the Council has a partnership arrangement with South West Audit Partnership to deliver an annual internal audit plan. The Assistant Director for SWAP, together with the Council's S151 Officer have produced an Audit Plan for 2016-17 that requires the approval of the Audit Committee.

### **Recommendation**

That the Audit Committee approve the Internal Audit Plan of 333 days for April 2016 to March 2017.

### **Background**

The total number of audit days planned for 2016-17 is 333 days, which is a reduction from the prior year. A reduction of 36 days was made to the plan as part of the Council's efficiency savings and the current level is considered the coverage required in order to be able to provide an overall assurance rating on the Council's internal control framework and governance.

This plan has been pulled together with a view to providing assurance to both Officers and Elected Members of the current and imminent risks faced by the Authority in an ever changing risk environment. If an emerging risk or a fraud investigation is deemed higher risk than the audits in this Audit Plan then changes may be required during the year. The Committee are approving the initial plan of 333 days. Any changes will be reported to Committee quarterly for approval.

To ensure that to the best of our ability we have covered the necessary risks, the Assistant Director and the Section 151 Officer have together, whilst also considering audits already undertaken in recent years, produced the plan detailed in Appendix A.

Advice and Meetings - Internal Audit are risk experts and as well as undertaking planned audits are always glad to assist officers where they seek advice on managing their risks. Similarly, to enable effective governance Internal Audit work closely with the External Auditors and with the Section 151 Officer and the Audit Committee through regular liaison meetings and progress reporting.

Follow Up Audits – Internal Audit follow up on all Audits being given a 'Partial or No Assurance' level to ensure that agreed actions to mitigate risks have been implemented. There are no Partial's to follow up to date, the 4 days being a contingency for audits not yet completed from the 2016/17 plan.

IT Audits – IT Reviews are completed to provide the Authority with assurance with regards to their compliance with industry best practice. SWAP has specialist Computer Auditors who

will liaised with the I.T. Manager to identify specific I.T. related risks. There will be 3 specialist reviews, the exact scope of which has yet to be determined.

Operational and Governance Audits - Operational audits are a detailed evaluation of a service or functions control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated. Governance audits focus primarily on key risks relating to cross cutting areas that are controlled and/or impact at a corporate rather than service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk or could be subject to fraud. This work will, in some cases, enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting these reviews at other Client Sites.

Key Financial Controls Audits - This process focuses primarily on key risks relating to the Council's major financial systems. There are 8 recognised key financial systems; Capital Accounting, Creditors, Debtors, Housing and Council Tax Benefits, Main Accounting, Council Tax & Non-Domestic Rates, Payroll, Treasury Management.

The Audit Committee will be aware from the quarterly update reports that in recent years the key control audits have continued to receive high levels of assurance and several received substantive assurance. As a result, using a risk based methodology all of the key controls do not need an annual review. The exact scope of these audits will be agreed with the S151 Officer prior to commencement, taking into account emerging and current issues.

## **Financial Implications**

There are no financial implications associated with these recommendations.

***Background Papers:*** None

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## Appendix A

SSDC Internal Audit Plan 2016-17	Days Planned	Rationale
<b>Client Support</b>	<b>39</b>	
Committee Reporting & Attendance	12	Audit Committee and Reports
Corporate Advice	6	Guidance and advice on best practice
External Audit	3	Liaison with Grant Thornton.
Planning / Client Liaison	13	Audit Planning / S151 Liaison
Waste Partnership Contribution	5	Theme to be advised.
<b>Follow Up Audits</b> (unallocated)	<b>4</b>	Review 2015/16 Partial Assurances
<b>ICT (To be confirmed)</b>	<b>30</b>	
<b>Operational and Governance Reviews</b>	<b>235</b>	
Culture	15	Change Management review.
Safeguarding	10	Is the Council meeting its statutory responsibilities?
LED	15	Contract Compliance/ Health and Safety Audit (Wincanton/ Goldenstones etc)
Healthy Organisation	40	To undertake the 8 key themes (Corporate Governance/Financial Management/Risk Management/Performance Management/Commissioning and Procurement / Programme & Project Management/Information Management/People & Asset Management)
Key Income Streams	20	
Data Protection	20	No recent audit in this area (any reviews have been centred on specific investigations rather than a corporate wide review).
Delivering Cost Savings and Increasing Income	20	This should be an audit of the assumptions made in the MTFP and looking at whether these assumptions were delivered.
Corporate Health & Safety	15	No recent audit in this area (any reviews have been centred on specific investigations rather than a corporate wide review).
Yeovil Cemetery & Crematorium Annual Accounts	3	Completed Annually
Boden Mill & Chard Regeneration Scheme Statement of Accounts	2	Completed Annually
Land Charges	10	Large expenditure in this area.
Elections	15	Large expenditure in this area.
Local Council Tax Support Scheme	15	Review of application of latest update.
Lufton Vehicle Workshop	15	H&S and vehicle maintenance records and charging and collection of payments for external work

Scheme of Delegation	15	Including review of committee decision making processes.
Corporate Procurement Cards	5	
<b>Key Financial Control Audit</b>	<b>25</b>	Including a high level review of Treasury Management and Creditor CIS financial controls
<b>Total Planned Audit Days:</b>	<b>333</b>	



# Agenda Item 11

## **Audit Committee Forward Plan**

*Assistant Director: Donna Parham, Finance and Corporate Services*  
*Lead Officer: Becky Sanders, Democratic Services Officer*  
*Contact Details: becky.sanders@southsomerset.gov.uk or 01935 462596*

## **Purpose of the Report**

This report informs Members of the agreed Audit Committee Forward Plan.

## **Recommendation**

Members are asked to comment upon and note the proposed Audit Committee Forward Plan as attached.

## **Audit Committee Forward Plan**

The forward plan sets out items and issues to be discussed over the coming few months and is reviewed annually.

Items marked in italics are not yet confirmed.

***Background Papers:*** *None*

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## Audit Committee – Forward Plan

Committee Date	Item	Responsible Officer
28 Apr '16	<ul style="list-style-type: none"> <li>• Statement of Accounting Policies for 2015/16 Accounts</li> <li>• 2015/16 Annual Governance Statement</li> <li>• Review of Internal Audit</li> <li>• Risk Management Update/Procurement Strategy Update</li> <li>• External Audit – Audit Plan</li> </ul>	Karen Gubbins  Donna Parham Donna Parham Gary Russ  Donna Parham
26 May '16	<ul style="list-style-type: none"> <li>• Debt Write Offs report</li> <li>• E:Procurement</li> <li>• Health, Safety and Welfare (Annual Report)</li> </ul>	Donna Parham Gary Russ Pam Harvey
23 Jun '16	<ul style="list-style-type: none"> <li>• Register of staff interests – annual review</li> <li>• Annual Treasury Management Activity Report 2015/16 – <b>Needs to go on to Full Council</b></li> </ul>	Ian Clarke Karen Gubbins
22 Jul '16	<ul style="list-style-type: none"> <li>• Approve Annual Statement of Accounts</li> <li>• Approve Summary of Accounts</li> <li>• External Audit - Annual Governance Report</li> <li>• External Audit – VFM Conclusion</li> </ul>	Karen Gubbins Karen Gubbins Donna Parham Donna Parham
25 Aug '16	<ul style="list-style-type: none"> <li>• Treasury Management – First Quarter monitoring report</li> <li>• Internal Audit – First Quarter Update</li> </ul>	Karen Gubbins  Jo George
22 Sep '16	<ul style="list-style-type: none"> <li>• Treasury Management Practices</li> </ul>	Karen Gubbins
27 Oct '16	<ul style="list-style-type: none"> <li>• Mid-year review of Treasury Strategy – <b>Needs to go on to Full Council</b></li> </ul>	Karen Gubbins
24 Nov '16	<ul style="list-style-type: none"> <li>• Treasury Management – Second Quarter monitoring report</li> <li>• Internal Audit – second Quarter update</li> <li>• Annual Audit Letter</li> </ul>	Karen Gubbins  Jo George Donna Parham

# Agenda Item 12

## **Training Session for Audit Committee Members**

### **Please Note:**

Following the close of the meeting there will be a training session regarding Internal Audit. All members of Audit Committee are requested to attend the session as it forms an essential part of the Audit Committee training programme.

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