

## **Audit Committee**

This report summarises the items considered by the Audit Committee on Thursday 22 January 2015

### **Financial Procedure Rules**

Audit Committee members were content to approve the recommendation.

**RESOLVED:** That the Audit Committee recommend full Council to approve the attached Financial Procedure Rules.

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### **Treasury Management Strategy Statement and Investment Strategy 2015/16**

The Principal Accountant introduced Mark Swallow of Arlingclose who gave a comprehensive, confidential presentation.

Members were content to recommend the Treasury Management Strategy Statement and Investment Strategy for 2015/16 to full Council.

**RESOLVED:** To recommend the Treasury Management Strategy Statement and Investment Strategy for 2015/16 to full Council.

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

Peter Lappin, Senior Manager of Grant Thornton external auditors presented the progress report and emerging issues, as detailed in full in the agenda. He made particular reference to the item '2020 Vision', which would present a challenge to local government.

**RESOLVED:**  
That the Audit Committee notes the attached report.

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### **Grant Thornton Certification report for SSDC**

Peter Lappin Senior Manager - Grant Thornton presented the report, as detailed in full in the agenda, regarding their findings from the signing off of the Housing Benefit Subsidy claim for 2013/14.

He highlighted the fact that the fees for certification of housing benefit subsidy claims had been reduced to reflect the removal of council tax benefit from the scheme and gave a further explanation of the appeal regarding the extrapolation process with the Department for Work and Pensions (DWP).

He explained further that the calculation of Housing Benefit was a complicated process particularly with regard to earned income and classification of overpayments, it was anticipated that a neighbouring Local Authority should be able to help SSDC officers to produce a report through the Northgate System that could identify and highlight concerns more regularly.

In the meantime the following actions had already been agreed and outlined in the Grant Thornton report:-

- Improvements to the forms filled out by the Housing Benefits Team to calculate earned income (already completed).
- Further training on the areas outlined (partially completed).
- An information sheet to give the team more guidance (to be completed by the end of January).
- Further testing on the areas where errors were found (to be completed by the 31<sup>st</sup> March 2015).

The Revenues and Benefits Manager, in attendance, said that a lot of work had been carried out in the year and the focus should remain on what work could be done in order to minimize the errors. The audit findings were useful in order to be able to work out where the weaker areas were.

In conclusion, the Assistant Director Finance and Corporate Services said that there would always be errors in this type of work but if the suggested Northgate report could be produced, the risk of extrapolation against larger cell values would be mitigated to a certain extent. She confirmed that a committee report would be presented to Audit Committee members with an update of how the issue had been mitigated and the result of the appeal.

The Chairman thanked both Peter Lappin and Simon Garlick who were shortly to leave the employ of Grant Thornton for their work in the past and wished them both luck in the future.

**RESOLVED:** that the Audit Committee:

- (1) Note the contents of the Certification of Claim Report for 2013/14.
- (2) Note that SSDC is appealing the extrapolation process with the Department for Work and Pensions (DWP).

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Councillor Derek Yeomans,  
Chairman of Audit Committee