

HAVANT BOROUGH COUNCIL
PUBLIC SERVICE PLAZA
CIVIC CENTRE ROAD
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Havant
BOROUGH COUNCIL

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GOVERNANCE, AUDIT AND FINANCE BOARD AGENDA

Membership: Councillor Kennett (Chairman)

Councillors P Bains, Briggs, Crellin, Hart, Rees, Robinson, Smith K, Wade and Shimbart

Meeting: Governance, Audit and Finance Board

Date: Wednesday 12 December 2018

Time: 5.00 pm

Venue: Hollybank Room, Public Service Plaza, Civic Centre Road,
Havant, Hants PO9 2AX

The business to be transacted is set out below:

Nick Leach
Monitoring Officer

4 December 2018

Contact Officer: Mark Gregory 023 92446232
Email: mark.gregory@havant.gov.uk

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1 Apologies	
To receive apologies for absence.	
2 Minutes	1 - 6
To confirm the minutes of the Governance and Audit Committee held on 19 September 2018.	
3 Matters Arising	
4 Declarations of Interest	
5 Chairman's Report	

6	Annual Certification Report	7 - 16
7	Internal Audit Progress Report	17 - 34
8	Dispensation for Councillors to Determine the Setting of the Council Tax Precept and Councillor Allowances	35 - 38
9	Monitoring Officer's Report	
	To receive verbal updates from the Monitoring Officer.	
10	Work Programme	To Follow
	To follow.	

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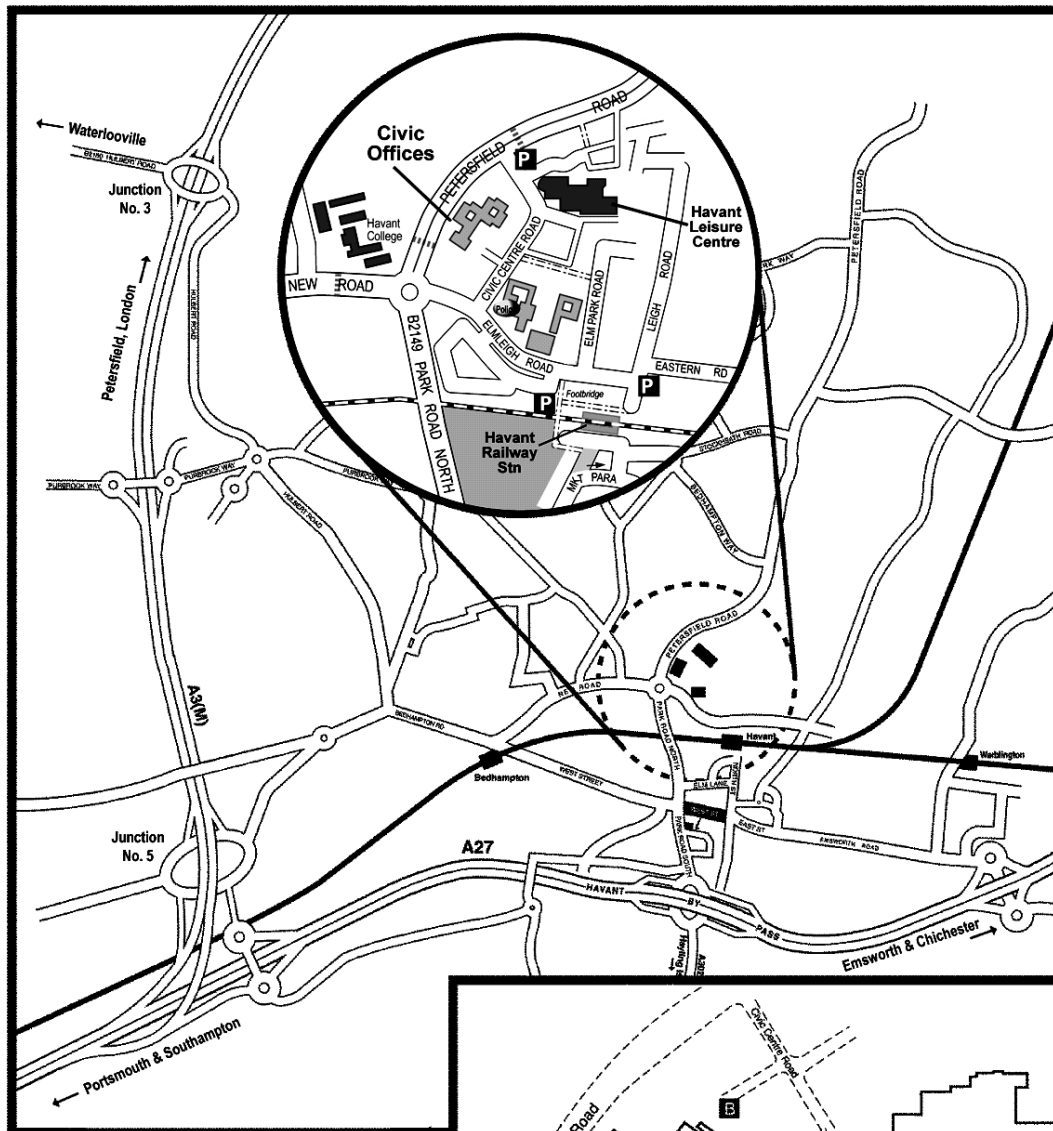
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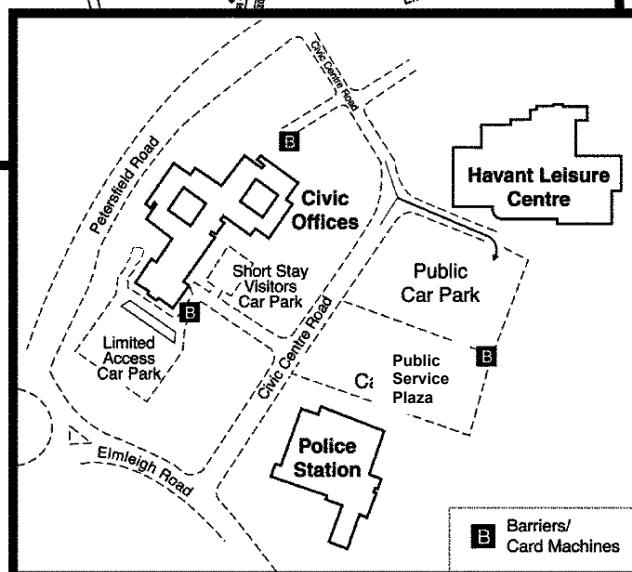
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Havant

BOROUGH COUNCIL

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HAVANT BOROUGH COUNCIL

At a meeting of the Governance, Audit and Finance Board held on 19 September 2018

Present

Kennett (Chairman), P Bains, Briggs, Crellin, Hart, Rees and Robinson

25 Apologies

Apologies for absence were received from Councillors Smith and Wade.

26 Minutes

The Minutes of the meeting of the Governance, Audit and Finance Board held on 25 July 2018 were agreed as a correct record and signed by the Chairman.

27 Matters Arising

There were no matters arising.

28 Declarations of Interest

There were no declarations of interests.

29 Chairman's Report

The Chairman had nothing to report.

30 Progress Against Outstanding NFI matches

The Board considered a report from Ian Bartlett, Capita Head of Revenues and Benefits Service, who joined the meeting for the debate on this item and answered members questions relating to the report.

The received an apology for the delay in undertaking NFI matches this year. Mr Bartlett explained that this was due to the introduction of a new computer system which would in the long run be of benefit to customers. The Board was advised that the priority NFI matched had been completed. NFI matches on the Electoral Roll would be completed by the end of November 2018 and the final matches by 31 January 2019.

In response to questions raised by members, Mr Bartlett assured the Board that steps had been taken to prevent this problem reoccurring. Mr Bartlett agreed to report back to the Board when all the outstanding NFI matches had been completed.

RESOLVED that the report be noted.

31 Internal Audit Progress Report 2018-19 (September 2018)

The Board considered the Internal Audit Progress Report presented by Antony Harvey and Amanda Chalmers of the Southern Internal Audit Partnership, who joined the meeting for the debate on this item and answered members' questions in connection with the report.

The Board was informed that the work of internal audit remained on track and there were no significant issues to be highlighted at this stage.

RESOLVED that the Internal Audit Progress Report be noted.

32 Annual Audit Letter 2017/18

The Board considered the Annual Audit Letter 2017/2018 as presented by Ernst and Young LLP.

The Annual Audit letter summarised the findings from the 2017/18 audit. The letter gave an 'Unqualified' opinion on the Council's financial statements and concluded that proper arrangements to secure value for money were in place.

The Board thanked the officers and external auditors for their work.

RESOLVED that the Annual Audit Letter 2017/2018 from Ernst and Young LLP be noted.

33 Councillors' Allowances Review

The Board considered the report from the Governance, Audit and Finance Scrutiny Panel setting out its findings and recommendations following a scrutiny review of the Councillor Allowances Scheme.

The Panel noted the following amendments to the report

Paragraph 11.3(b) to be amended to read:

“(b) a modernisation allowance of £461 be created to meet a number of expenses, including council related telephone calls both land line and mobile, line rental costs, IT and internet access”

Paragraph 14.12 be amended to read:

“The Panel recommends that the Chairman of the *Joint Human Resources Committee's* SRA is 25% of the recommended SRA for the Leader, which equates to £3643”

(changes shown in italics)

Governance, Audit and Finance Board (19.9.18)

The Chairman thanked members of the Panel and the officers who supported the Panel for all of their work. He, in particular, praised the Panel for developing a scheme and processes which were based on evidence and a transparent and logical construct that was understandable and justifiable, both in the short and the long term.

RESOLVED that

(1) The Council be RECOMMENDED to:

(a) approve the following scheme from **1 October 2018**:

Allowance	£
Basic Allowance	£5430
Leader	£14,800
Deputy Leader	£10,018
Cabinet Lead	£8,425
Governance, Audit and Finance Board Chairman	£6831
Scrutiny Board Chairman	£5,692
Development Management Committee Chairman	£5,009
Licensing Committee Chairman	£1,116
Joint HR Committee Chairman	£3,643
Group Leader*	£911-£3,643

A Councillor may only receive 1 SRA at a time. No more than 50% of the number of Councillors can receive an SRA

Joint HR Committee Chairman and Vice Chairman rotates annually with EHDC.

*Leaders of any political group, other than the ruling group, comprising two or more members to receive a Special Responsibility Allowance based upon the following formula:

Band A	2-5 Members	£911
Band B	6-10 Members	£1822
Band C	11-15 Members	£2732
Band D	16+ Members	£3643

From 2020/21 the Basic Allowance be increased in line with any NJC increase as agreed each year from 1 April 2020/21.

Future changes to the Special Responsibility Allowances (SRAs) or proposed new SRAs to be submitted to the Governance, Audit and Finance Board for evaluation before being introduced

Additional allowances

A Modernisation Allowance of £461 (currently included in the Basic Allowance) be created to meet a number of expenses, including council related telephone calls both land line and mobile, line rental costs, IT and internet access.

This allowance to be paid automatically from 1 October 2018 at £38 per month from 1 October 2018.

Mileage: To be maintained in line with the HMRC rate, currently 45p per mile. Passenger and cycle rates set at 5p per passenger and 20p per mile respectively. Claims to be made within six months of the date of travel. Claims may only be made to cover travelling costs incurred whilst carrying out approved council duties as a councillor. This does not include ward business or political activities, such as attending group meetings.

Taxi/Rail: There is a presumption in the scheme that, where practicable, councillors will pre-book rail journeys for council business via the council. Where this is not practicable, then a valid receipt/train ticket must be presented, along with reason for that journey.

Child care: up to £8.75 per hour.

Dependent relative care: up to the hourly rate for approved care providers within Hampshire County Council (currently £14.20 in 2015).

Claims for carers allowances must be accompanied with a receipt stating the date, hours worked and cost. Claims may only be made to cover the carer costs incurred whilst carrying out approved council duties as a councillor, such as attending council meetings.

Subsistence (meal) allowances: The council does not make subsistence allowances available for approved duties within the district. Maximum claims for meals to be maintained in line with the rates that can be claimed by officers, currently (2015):

- Breakfast = £5.73
- Lunch = £7.92
- Meal = £9.80

There is a presumption in the subsistence scheme that, where practicable, councillors will pre-book meals and accommodation through the council. Where this is not practicable, then the above subsistence rates are the maximum reimbursements, up to a maximum of £43 per day, including incidental subsistence costs.

Governance, Audit and Finance Board (19.9.18)

- (b) agree that the Panel's reports and findings be submitted as evidence to the next Independent Remuneration Panel.
- (2) The Governance, Audit and Finance Scrutiny Panel be requested to undertake a review into the Leader's Allowance, including the budgetary implications of any changes to this allowance.

34 Monitoring Officer's Report

The Monitoring Officer informed the Board that there had been no new Code of Conduct complaints received since the last meeting. He also gave advanced notice that the Board would be asked to consider changes to the Council's constitution at a future meeting of the Board.

35 Board's Business Plan

The Board received an update on its Business Plan. It was noted that the challenge sessions on the Medium Term Financial Strategy would be rescheduled.

The meeting commenced at 5.00 pm and concluded at 5.35 pm

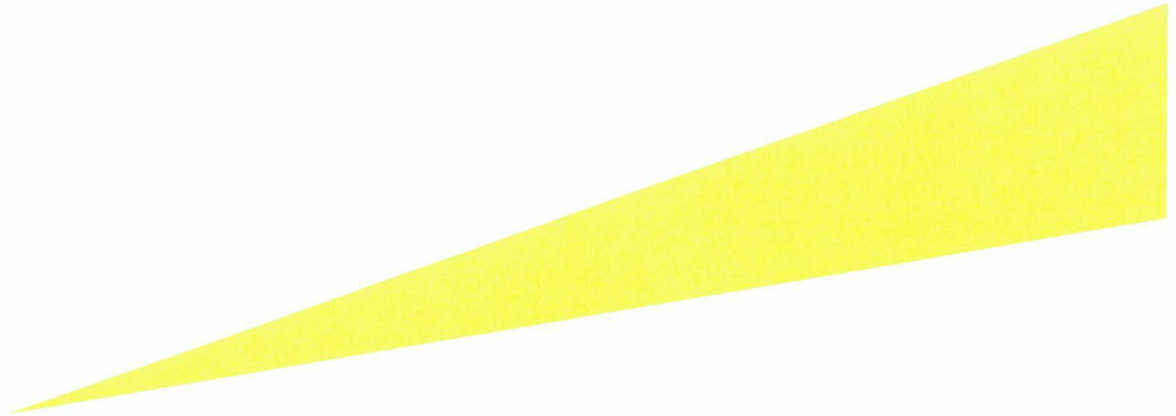
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Certification of claims and returns annual report 2017-18

Havant Borough Council

November 2018

Ernst & Young LLP



Building a better
working world

The Members of the Governance, Audit and Finance Board
Havant Borough Council
Public Service Plaza
Civic Centre Road
Havant
PO9 2AX

23 November 2018
Ref: HBC/claims/2017-18

Direct line: 07976 515115
Email: abrittain@uk.ey.com

Dear Members

Certification of claims and returns annual report 2017-18 Havant Borough Council

We are pleased to report on our certification and other assurance work. This report summarises the results of our work on Havant Borough Council's 2017-18 claims and returns.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to the Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2017-18, these arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Summary

Section 1 of this report outlines the results of our 2017-18 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £31,131,688. We met the submission deadline. We issued a qualification letter – details of the qualification matters are included in section 1. Our certification work other found errors but these had no effect on the subsidy claim

Fees for certification and other returns work are summarised in section 2. The housing benefits subsidy claim fees for 2017-18 were published by the Public Sector Audit Appointments Ltd (PSAA) in March 2017 and are available on the PSAA's website (www.psaa.co.uk).

We have made two recommendations this year, set out in section 4.

We welcome the opportunity to discuss the contents of this report with you at the Governance, Audit and Finance Board meeting on 6 February 2019.

Yours faithfully



Andrew Brittain
Associate Partner
Ernst & Young LLP
Enc

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1. Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£31,131,688
Amended/Not amended	Not amended
Qualification letter	Yes
Fee – 2017-18	£13,430
Fee – 2016-17	£17,872

Recommendations from 2016-17	Findings in 2017-18
Ensure that income is consistently assessed correctly in the determination of benefit entitlement and that the assessment made is supported by sufficient and appropriate evidence. Specifically through the utilisation of the new earnings assessment forms introduced in 2016-17 which are meant to improve accuracy of income recording	<p>Errors were found in income assessments when determining benefit entitlement.</p> <p>Errors were found where the Authority misclassified expenditure as a result of an incorrect cell cap</p> <p>An error was found where the Authority had made payment to a claimant who had already moved out of the property</p> <p>An error was found where the Authority used the incorrect rent value</p> <p>There were also variances identified between details per the subsidy system and the subsidy reports</p>

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete more extensive '40+' or extended testing if initial testing identifies errors in the calculation of benefit or compilation of the claim. 40+ testing may also be carried out as a result of errors that have been identified in the audit of previous years claims.

Extended and other testing identified errors which the Council have not amended. We have reported underpayments, uncertainties and the extrapolated value of other errors in a qualification letter. The DWP then decides whether to ask the Council to carry out further work to quantify the error or to claw back the benefit subsidy paid. These are the main issues we reported:

Non-HRA rent rebates

Our initial testing identified one case where benefit had been underpaid as a result of the Authority miscalculating the claimant's eligible meals resulting in an underpayment of £6.70 and a second case where expenditure of £641.13 had been misclassified due to an incorrect LHA cap. The misclassification was £95.76 between cell 13 and cell 12 and £545.37 between cell 14 and cell 15. As the nature of the error is such that either an underpayment or overpayment may arise, we undertook additional testing on rent and LHA rate caps on the remaining population.

Testing of the remaining population identified:

- Two cases (total error value: £1,713.18) where the Authority had misclassified expenditure as a result of an incorrect cell cap.

The effect of this error is to overstate cell 14 with a corresponding understatement of cell 15; there is no effect on cell 11.

- One case (total error value: £75.24) where the Authority had misclassified expenditure as a result of an incorrect cell cap.

The effect of this error is to overstate cell 13 with a corresponding understatement of cell 12; there is no effect on cell 11.

- One case (total error value: £74.02) where the Authority had misclassified expenditure as a result of an incorrect cell cap.

The effect of this error is to overstate cell 12 with a corresponding understatement of cell 13; there is no effect on cell 11.

- One case (total error value: £885.02) where the error arose due to a payment made to a claimant who had already moved out of the property

The effect of these errors is to overstate cell 12 by £163.93 and cell 13 by £721.09 with a corresponding understatement of cell 26 of £885.02.

- One case (total error value: £140.30) where the error arose due to an incorrect rent value used

The effect of these errors is to overstate cell 12 by £140.30 with a corresponding understatement of cell 26.

- Two cases (total error value: £4,479.52) with variances between the details per the system and the subsidy reports.

The effect of these errors was to overstate cell 12 by £461.32, cell 13 by £996.16 and cell 14 by £3,021.84 with a corresponding understatement of cell 26 of £4,479.52.

Cases were also identified where benefit had been underpaid, by a total of £1,791.73. As there is no eligibility to subsidy for benefit which has not been paid, the underpayments identified do not affect subsidy and have not, therefore, been classified as errors for subsidy purposes.

Rent allowances modified schemes

Due to the errors identified in our audit of the 2016/17 subsidy we requested 40+ testing on 100% of the modified schemes population.

An error was identified as the war pension had been incorrectly entered. The value of the underpayment error is £11.15 and the value of the underpayment was for the period 20/03/17 – 31/03/17. Additionally there was an overpayment for £0.80 for the period 03/04/17 – 20/08/17. The Authority has not adjusted for the under or overpayment in the 2017/18 subsidy year.

2. 2017-18 certification fees

The PSAA determine a scale fee each year for the audit of claims and returns. For 2017-18, these scale fees were published by the PSAA in March 2017 and are available on the PSAA's website (www.psaa.co.uk).

Claim or return	2017-18	2017-18	2016-17
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	13,430	9,240	17,872

The proposed final fee includes £3,540 in respect of additional work required to review and capture extended testing undertaken due to errors identified during our testing and the impact thereof on the qualification letter. We carried out three sets of extended testing in 2017-18, compared to none in 2015-16, which is the year from which the indicative fee for 2017-18 was set by PSAA. The proposed final fee also includes £650 in respect of delays experienced during planning and early testing. The proposed additional fee is subject to approval by the PSAA.

3. Looking forward

2018/19

From 2018-19, the Council is responsible for appointing their own reporting accountant to undertake the certification of the housing benefit subsidy claim in accordance with the Housing Benefit Assurance Process (HBAP) requirements that are being established by the DWP. DWP's HBAP guidance has now been published and the Council has appointed EY as its reporting accountant from 2018-19 for a period of one year, subject to the agreement of an engagement letter.

We were also appointed by PSAA in December 2017 as your statutory auditor therefore able to provide a comprehensive assurance service, making efficiencies for you and building on the knowledge and relationship we have established with your Housing Benefits service.

4. Summary of recommendations

This section highlights the recommendations from our work and the actions agreed.

Recommendation	Priority	Agreed action and comment	Deadline	Responsible officer
For non-HRA cases the process for ensuring benefit is not paid to non-HRA claimants who have vacated should be refined. This can be done by agreeing an improved process with the Housing Options team.	Medium	Agreed	With immediate effect	Revenue and Benefits Manager
Ensure that the correct rent level is applied on non-HRA cases. Subsidy is based on the lower of LHA rate, actual rent and the rate cap. Consideration should be given to incorporating checks into a standard procedure for non-HRA cases to confirm correct rent level including quality assurance regarding eligible meals.	Medium	Agreed	With immediate effect	Revenue and Benefits Manager

EY | Assurance | Tax | Transactions | Advisory

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NON EXEMPT

HAVANT BOROUGH COUNCIL

GOVERNANCE, AUDIT AND FINANCE BOARD 12 December 2018

INTERNAL AUDIT PROGRESS REPORT 2018-19 (October 2018)

Head of Southern Internal Audit Partnership

ITEM NO

FOR DECISION

Key Decision: No

1.0 Purpose of Report

1.1 The purpose of this paper is to provide the Governance, Audit and Finance Board with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and to provide an overview of the status of 'live' reports.

1.2 The role of internal audit is outlined in Section 1 of the Internal Audit Progress Report (Appendix A) and is best summarised through its definition within the Public Sector Internal Audit Standards as:

'Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

2.0 Recommendation

2.1 That the Governance, Audit and Finance Board note the Internal Audit Progress Report (October 2018) as attached.

3.0 Summary

3.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:

- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
- undertaking an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.

- 3.2** In accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Governance and Audit Committee, summarising:

'communications on the internal audit activity's performance relative to its plan.'

- 3.3** Appendix 1 summarises the performance of Internal Audit for 2018-19.

4.0 Implications

4.1 Resources:

Internal Audit is provided through the Southern Internal Audit Partnership. The audit plan consists of 380 audit days and remains fluid throughout the year to meet the changing needs of the Council.

4.2 Legal:

Compliance with the Accounts and Audit (England) Regulations 2015.

4.3 Strategy:

Internal audit plays a vital role in helping the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

4.4 Risks:

The audit needs assessment follows a risk based audit approach taking cognisance of the Council's risk register.

4.5 Communications:

None directly from this report.

4.6 Customers & Community:

None directly from this report although improvements to controls and governance arrangements will ensure more efficient and effective service delivery.

4.7 Integrated Impact Assessment (IIA):

n/a

5.0 Consultation

- 5.1** The report has been discussed and noted by the Management Team who met at the Executive Board on 8 November 2018. Appendix A – Section 4 provides details on the status of live reports. There are no overdue actions. Pending, complete and overdue actions will continue to be monitored through Corporate Governance Board and future progress reported to the Executive Board.

Appendices:

Appendix 1 – Internal Audit Progress Report 2018-19

Agreed and signed off by:

Legal Services: Lydia Morrison

Finance: Lydia Morrison

Contact Officer: Neil Pitman

Job Title: Head of Southern Internal Audit Partnership

Telephone: 01962 845139

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Internal Audit Progress Report

October 2018

Havant Borough Council



**Southern Internal
Audit Partnership**

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards - updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

2. Purpose of report

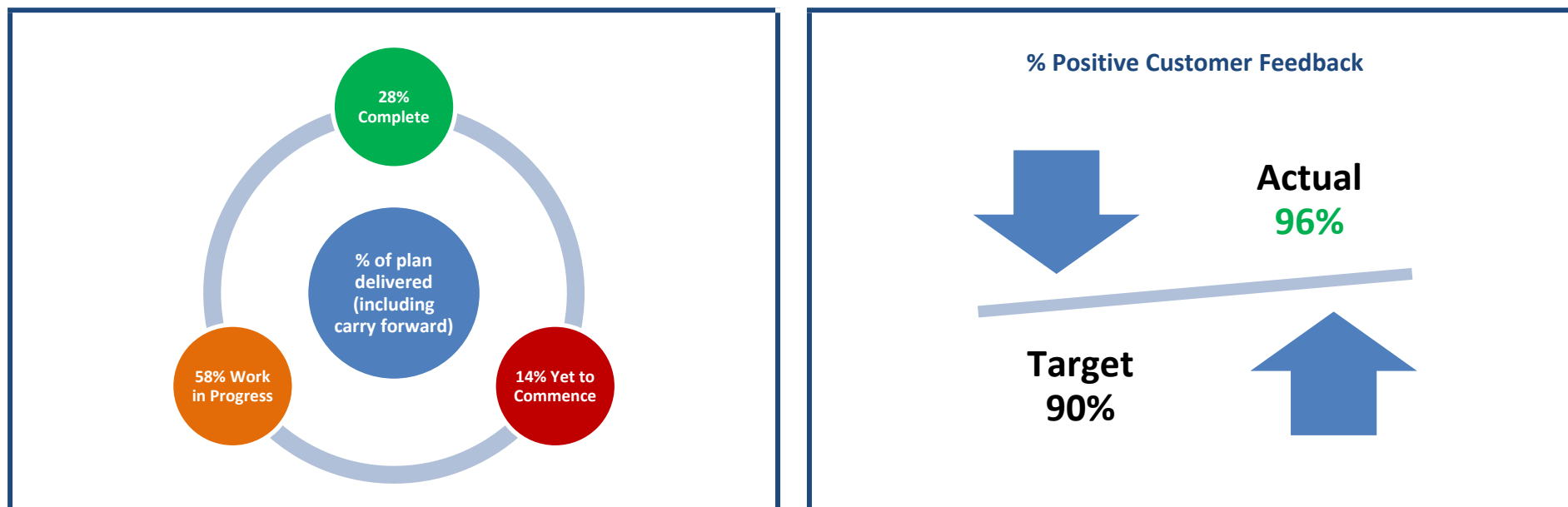
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- The status of 'live' internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial	A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk
No	Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards / Local Government Application Note



An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. The report concluded:

'It is our view that the Southern Internal Audit Partnership 'generally conforms' (top grading) to all of the principles contained within the International Professional Practice Framework (IPPF); Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).

In accordance with PSIAS, a further self assessment was completed in April 2018 concluding that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN.

4. Status of 'Live' Reports

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')				
				Reported	Not Accepted	Pending	Cleared	Overdue
*Local Government Transparency Code 2015	06/05/16	CFO	Adequate	7 (3)	0 (0)	0 (0)	7 (3)	0 (0)
*Business Continuity Planning / Disaster Recovery	30/01/17	HoOD	Adequate	9 (1)	0 (0)	9 (1)	0 (0)	0 (0)
Information Governance	26/04/17	HoPRQ	Limited	19 (7)	0 (0)	4 (0)	15 (7)	0 (0)
Developers Obligations and Contributions / Community Infrastructure Levy (CIL)	15/06/17	HoP	Adequate	9 (5)	0 (0)	2 (0)	7 (5)	0 (0)
*Risk Management	26/06/17	HoPRQ	Adequate	3 (0)	0 (0)	0 (0)	3 (0)	0 (0)
Proactive Fraud Initiatives (Mobile Devices)	12/12/17	HoPRQ	Adequate	6 (0)	0 (0)	1 (0)	5 (0)	0 (0)
NNDR	08/01/18	HoCS	Adequate	2 (0)	0 (0)	2 (0)	0 (0)	0 (0)
*Strategic Planning (Fit for Future)	28/02/18	HoOD	Adequate	3 (0)	0 (0)	0 (0)	3 (0)	0 (0)
*Treasury Management	18/06/18	CFO	Limited	6 (0)	0 (0)	0 (0)	6 (0)	0 (0)
*Accounts Payable	06/07/18	CFO	Adequate	13 (2)	0 (0)	0 (0)	13 (2)	0 (0)
Norse South East – Governance Arrangements	24/07/18	HoSC	Adequate	9 (0)	0 (0)	5 (0)	4 (0)	0 (0)

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')				
				Reported	Not Accepted	Pending	Cleared	Overdue
Norse South East – Emergency Planning Arrangements	24/07/18	HoSC	Adequate	3 (0)	0 (0)	3 (0)	0 (0)	0 (0)
*HR / Payroll	21/08/18	HoOD / CFO	Adequate	4 (0)	0 (0)	0 (0)	4 (0)	0 (0)
Council Tax	25/09/18	HoCS	Adequate	5 (2)	0 (0)	0 (0)	2 (1)	3 (1)

*denotes audits where all actions have been completed since the last progress report

Audit Sponsor	
Head of Organisational Development	HoOD
Head of Customer Services	HoCS
Chief Finance Officer	CFO
Head of Programmes, Redesign and Quality	HoPRQ
Head of Development	HoD
Head of Strategic Commissioning	HoSC
Head of Property Services	HoPS
Executive Director (Commercial)	ED (C)
Head of Planning	HoP
Executive Director (Operations and Place Shaping)	ED (OPS)
Head of Neighbourhood Support	HoNS

5. Executive Summaries of new reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There are no new reports published concluding a ‘Limited’ or ‘No’ assurance opinion.

6. Fraud and Irregularities

In accordance with the Local Government Transparency Code 2015 there is a requirement on local authorities to publish the following information with regard counter fraud work:

Local Government Transparency Code 2015	01.04.18 – 31.10.18
Part 2 Requirements - Fraud	
Number of occasions powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers have been used	Nil
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud	3 fte*
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists	5 fte*
Total amount of time spent by the authority on the investigation and prosecution of fraud	15 days***
Total number of fraud cases investigated	0**

*relates to internal audit staff across the wider SIAP only (does not include other areas of the Council that may affect reported figures i.e. legal, HR, Trading Standards, departmental investigating officers etc.)

**the definition of fraud is as set out by the Audit Commission in *Protecting the Public Purse* - ‘the intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss.’

***relates to SIAP staff only and includes time spent on proactive fraud initiatives to identify or prevent potential fraud that may not result in a formal investigation or prosecution.

7. Planning & Resourcing

The internal audit plan for 2018-19 was discussed by the Executive Board on 22 February 2018 and approved by the Governance and Audit Committee on 14 March 2018.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 8.

8. Rolling Work Programme

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Carry Forward Reviews									
Human Resources	HoOD	✓	✓	✓	✓	✓	Adequate	✓	17/18 Opinion
Payroll	CFO	✓	✓	✓	✓	✓	Adequate	✓	17/18 Opinion
Council Tax	HoCS	✓	✓	✓	✓	✓	Adequate	✓	17/18 Opinion
Norse South East – Governance Arrangements	HoSC	✓	✓	✓	✓	✓	Adequate	✓	17/18 Opinion
Norse South East – Emergency Planning Arrangements	HoSC	✓	✓	✓	✓	✓	Adequate	✓	17/18 Opinion

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Norse South East – Assurance Mapping	HoSC	✓	✓	✓				✓	Assurance mapping exercise now being undertaken following recent receipt of reports from Norse Group
2018-19 Reviews									
Corporate / Cross Cutting									
Contract Management Framework (CAPITA)	CRD	✓	✓	✓				✓	
Strategic Planning (Fit for Future)	HoOD / HoCS	✓	✓	✓				✓	
Human Resources	HoOD	✓	✓	✓				✓	
Risk management	HoPRQ	✓	✓	✓				✓	
Commercial Activities	HoCD							✓	Q4
Partnership Management (Horizon Leisure Trust)	HoSC	✓	✓	✓				✓	

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Contract Management Arrangements	HoSC	✓	✓	✓				✓	
Procurement	HoSC	✓	✓	✓				✓	
Insurance	CFO	✓	✓	✓				✓	
Corporate Governance									
Proactive Fraud Initiatives (Blue Badges)	CFO	✓						✓	
CIPFA Fraud Survey	CFO	✓	n/a	✓	n/a	✓	n/a	✓	
National Fraud Initiative (NFI)	CFO	n/a	n/a	✓				✓	
Information Governance	HoPRQ							✓	Q3
6 Council's Governance Framework	HoSC	✓	✓	✓	✓	✓	n/a	✓	All actions agreed in 17/18 audit are now complete.
Financial Management									
Accounts Payable	CFO	✓						✓	

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Accounts Receivable / Debt Management	CFO	✓						✓	
Main Accounting	CFO	✓						✓	
Financial Planning / Budgetary Control	CFO	✓						✓	
Payroll	CFO	✓	✓	✓				✓	
Payroll / HR Data Migration	CFO / HoSC	✓	✓	✓	✓	✓	Substantial	✓	
Benefits	HoCS	✓	✓	✓				✓	
Overtime and Expenses	CFO / HoOD	✓						✓	
De-Commissioning of Civica Financials	CFO	✓	✓	✓				✓	
Accounts Payable (Non-PO's)	CFO	✓	✓	✓	✓	✓	Substantial	✓	
Information Technology									
ICT provision	HoPRQ	✓	-	✓				✓	Advisory role
Corporate Objectives									
Land Charges	HoCS							✓	Q3

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Private Sector Housing	HoHCE							✓	Q4
Traffic Management	HoNS	✓	✓	✓				✓	
Regeneration / Economic development	HoD							✓	Q4
Other									
VAWGF Grant Certification	HoNS	✓	n/a	✓	n/a	✓	n/a	✓	n/a review of grant conditions

NON EXEMPT

HAVANT BOROUGH COUNCIL

GOVERNANCE AUDIT AND FINANCE BOARD

12 December 2018

**DISPENSATION FOR COUNCILLORS TO DETERMINE THE SETTING OF
THE COUNCIL TAX PRECEPT AND COUNCILLOR ALLOWANCES**
Report by the Monitoring Officer

FOR RECOMMENDATION TO COUNCIL

Portfolio: Portfolio Holder for People and Communications
Cllr Bowerman

Executive Director: Gill Kneller

Key Decision: No

1.0 Purpose of Report

- 1.1. This report is submitted to the Governance Audit and Finance Board seeking a recommendation to Council to grant of a Dispensation to all Councillors to enable them to determine the Council Tax base and Councillors Allowances

2.0 Recommendation

RECOMMENDED that the Governance, Audit and Finance Board recommends to full Council that:

- (1) a Dispensation granted to all members of the Council to enable them to:
 - (a) consider and determine the Council Tax Base each year; and
 - (b) consider and determine Councillors' Allowances.
- (2) the Dispensation to take effect on expiry of the current Dispensation on 1 June 2019 and to remain in place until 31 May 2023.

3.0 Executive Summary

- 3.1. The Standards regime was radically overhauled culminating in the Localism Act 2011. Section 31(4) of the Localism Act 2011 prohibits a Councillor from participating or voting on any matter where they

have a Disclosable Pecuniary Interest. The determination of the Council Tax Base and the setting of Councillors' Allowances qualify as Disclosable Pecuniary Interests. Prior to the introduction of the 2011 Act, all Councillors had an automatic Dispensation when making decisions on Council policy such as setting the Council Tax and Councillors allowances which affects individual Councillors.

- 3.2. The 2011 Act remains silent on this point, therefore, in accordance with Section 33(2) of the Localism Act 2011, the Council may grant a blanket Dispensation to all its members for a maximum period of four years. The current Dispensation will expire on 31 May 2019.

4.0 Additional Budgetary Implications

- 4.1. None

5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s

- 5.1. N/A

6.0 Options considered and reasons for the recommendation

- 6.1. N/A

7.0 Resource Implications

- 7.1. Financial Implications - None
- 7.2. Human Resources Implications - None
- 7.3. Other Resource Implications - None

8.0 Legal Implications

- 8.1. Failure to grant a Dispensation will impact on the Council's ability to set its Council Tax Base and future Councillors' allowances.

9.0 Risks

- 9.1. See 8.1 above.

10.0 Consultation

- 10.1. N/A

11.0 Communication

- 11.1. N/A

12.0 Appendices:

None

13.0 Background Papers:

None

Agreed and signed off by:

Monitoring Officer: 16 October 2018

S151 Officer: 22 October 2018

Portfolio Holder: 22 October 2018

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