

M M I N U T E S

meeting: **AUDIT (MONITORING OF AUDIT INVESTIGATIONS)
SUB-COMMITTEE**

date: **22 OCTOBER 2012**

PRESENT:-

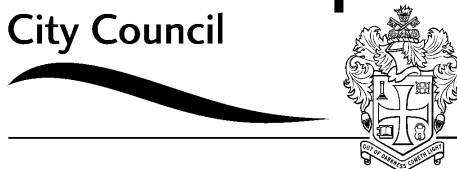
Councillor Mrs Thompson (Chair);
Councillors Holdcroft and Inston

EMPLOYEES IN ATTENDANCE:-

Delivery

- | | | |
|----------|---|--|
| S Lunn | - | Head of Operational Finance, Corporate Services |
| R Morgan | - | Senior Audit Manager, Corporate Services Division |
| M Wilkes | - | Principal Auditor, Corporate Services Division |
| M Fox | - | Democratic Support Officer, Governance Services Division |

Wolverhampton
City Council



PART I – OPEN ITEMS
(Open to Press and Public)

Apologies for Absence

- 11 Apologies for absence had been received from Councillor Dr Hardacre and Pat Main – Assistant Director, Corporate Services.

Declarations of Interest

- 12 No declarations of interest were made relative to items under consideration at the meeting.

Minutes

- 13 Resolved:-
 That the minutes of the meeting of the Audit (Monitoring of Audit Investigations) Sub-Committee held on 16 July 2012 be confirmed as a correct record.

Date and Times of Meetings (Resolution 5)

The Democratic Support Officer suggested that, following the change of date of the current meeting (which was originally scheduled to take place on 1 October), the December meeting be re-arranged to allow for a more equal spread of meetings during the year.

- 14 Resolved:-
 That the meeting of the Sub-Committee scheduled to take place on 10 December 2012 be re-arranged to take place on Monday 21 January 2013 at 1400 hours.

Schedule of Outstanding Minutes (Appendix 5)

The Democratic Support Officer presented the Schedule of Outstanding Minutes, adding that the issue about orders being raised after services had been provided had been pursued through School Governing Bodies, as part of the “Schools Financial Value Standard”, which had replaced the “Financial Management Standards in Schools”.

- 15 Resolved:-
 That the report be received and noted.

Exclusion of Press and Public

- 16 Resolved:-
 That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from consideration of the items of business in Part II of the agenda on the grounds that, in view of the nature of the business to be transacted or the nature of the proceedings, exempt information falling within paragraph 1, 2 & 3 of Schedule 12A of the Act, was likely to be disclosed.

PART II – EXEMPT ITEMS
(Press and Public Excluded)

Audit Services – Counter Fraud Report – September 2012
(Appendix 6)

Mark Wilkes, Principal Auditor, Corporate Services Division, Delivery Directorate presented a report which updated the Sub-Committee on the current counter-fraud activities undertaken by Audit Services. Councillor Holdcroft raised the issue of housing tenancy fraud and how this came to light and the Principal Auditor referred to measures under the National Fraud Initiative, such as checks on the electoral register, which may identify persons in receipt of single person discount who are in fact sharing premises with other adults. Councillors felt that further information about the level of work carried out on the single person discount should be provided for the Audit Committee. The Principal Auditor also provided more information about data matching exercises and cross referencing between the Local Authorities in the West Midlands area. The Chair asked whether Birmingham City Council is involved in the Loan Shark Scheme and the Head of Operational Finance undertook to provide the Chair with more information about this scheme. The Principal Auditor also advised the Chair that the work of the Audit Commission will be taken on by another body following the demise of the Commission.

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Resolved:-

(i) That the report be received and noted;

(ii) That further information be provided for Councillors serving on the Audit Committee about the level of work carried out on the single person discount in terms of Council Tax fraud.

Audit Update (Appendix 7)

The Principal Auditor presented a report on current audit investigations. The Chair requested further information about Case Ref WBP101(Improper Use of Lottery Funding) and Councillor Inston expressed concern about Case Ref WBP108 (Disabled Facilities Grant).

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Resolved:-

(i) That the report be received and noted;

(ii) That in connection with Case Ref WBP101, further information be submitted to the Sub-Committee about the nature of the submission for Funding, details of the project for which the funding was used and details of the outcome of the police investigation.

(iii) That the Sub-Committee's concern be conveyed to the Strategic Director – Community in connection with Case Ref WBP108, to include a request for a response about lessons learnt from the award of this grant and that, in addition:-

- (a) the Assistant Director - Governance be asked to consider whether this grant can be re-claimed and
- (b) Internal Audit be requested to produce an analysis of the levels of recent Disabled Facility Grant awards.