

Borough Council of  
**King's Lynn &  
West Norfolk**



# **RESOURCES AND PERFORMANCE – AUDIT AND RISK COMMITTEE**

**Tuesday 23 July 2013**

**(Immediately following the Resources and Performance  
Panel which commences at 5.30 pm)**

Committee Suite  
King's Court  
Chapel Street  
King's Lynn  
Norfolk  
PE30 1EX



If you require parts of this document in another language, large print, audio, Braille or any alternative format please contact the Council Information Centre on 01553 616200 and we will do our best to help.

#### **LATVIAN**

Ja Jums nepieciešamas daļas no šī dokumenta citā valodā, lielā drukā, audio, Braila rakstā vai alternatīvā formātā, lūdzu, sazinieties ar Padomes informācijas centru (Council Information Centre) pa 01553 616200 un mēs centīsimies Jums palīdzēt.

#### **RUSSIAN**

Если вам нужны части этого документа на другом языке, крупным шрифтом, шрифтом Брайля, в аудио- или ином формате, обращайтесь в Информационный Центр Совета по тел.: 01553 616200, и мы постараемся вам помочь.

#### **LITHUANIAN**

Jeį pageidaujate tam tikros šio dokumento dalies kita kalba, didelių šriftų, Brailio raštu, kitu formatu ar norite užsisakyti garso įrašą, susisiekite su Savivaldybės informacijos centru (Council Information Centre) telefonu 01553 616200 ir mes pasistengsime jums kiek įmanoma padėti.

#### **POLISH**

Jeśli pragną Państwo otrzymać fragmenty niniejszego dokumentu w innym języku, w dużym druku, w formie nagrania audio, alfabetem Braille'a lub w jakimkolwiek innym alternatywnym formacie, prosimy o kontakt z Centrum Informacji Rady pod numerem 01553 616200, zaś my zrobimy, co możemy, by Państwu pomóc.

#### **PORTUGUESE**

Se necessitar de partes deste documento em outro idioma, impressão grande, áudio, Braille ou qualquer outro formato alternativo, por favor contacte o Centro de Informações do Município pelo 01553 616200, e faremos o nosso melhor para ajudar.

Borough Council of  
**King's Lynn &  
West Norfolk**



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX.  
Telephone: 01553 616200  
Fax: 01553 691663

15 July 2013

Dear Member

**Resources and Performance – Audit and Risk Committee**

You are invited to attend a meeting of the above-mentioned Committee which will be held on **Tuesday 23 July 2013, at 5.30 pm immediately following the Resources and Performance Panel meeting**, in the **Committee Suite, King's Court, Chapel Street, King's Lynn**, to discuss the business shown below.

Yours sincerely

Chief Executive

**AGENDA**

**1. Apologies for absence**

To receive any apologies for absence.

**2. Minutes**

To approve the minutes of the Resources and Performance – Audit and Risk Committee meeting held on 25 June 2013 (previously circulated).

**3. Declarations of Interest**

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the Member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

4. **Urgent Business Under Standing Order 7**

To consider any business which, by reason of special circumstances, the Chairman proposes to accept as urgent under Section 100(b)(4)(b) of the Local Government Act 1972.

5. **Members Present Pursuant to Standing Order 34**

Members wishing to speak pursuant to Standing Order 34 should inform the Chairman of their intention to do so and on what items they wish to be heard before the meeting commences. Any Member attending the meeting under Standing Order 34 will only be permitted to speak on those items which have been previously notified to the Chairman.

6. **Chairman's Correspondence** (if any)

7. **Matters referred to the Committee from other Council Bodies and responses made to previous Committee recommendations/requests**

To receive comments and recommendations from other Council bodies, and any responses subsequent to recommendations, which this Panel has previously made. (N.B. some of the relevant Council bodies may meet after dispatch of the agenda).

8. **Benefit Investigations Unit Annual Report** (pages 1 to 8)

Members are invited to consider and note the Benefit Investigations Unit Annual Report 2012/13.

9. **Review of the Effectiveness of the Audit and Risk Committee** (pages 9 to 23)

Members are invited to consider the attached report and to note the contents of the review and the resulting 'Actions Required.'

10. **Audit and Risk Committee Work Programme** (pages 24 to 25)

Committee Members are invited to consider the attached Audit and Risk Committee's Work Programme.

11. **Date of Next Meeting**

To note that the next meeting of the Resources and Performance - Audit and Risk Committee will take place on **Tuesday 27 August 2013**.

**To: Panel Members** – Councillors P Beal (Chairman),  
C Manning (Vice-Chairman), D J Collis, J Collop, P Cousins, C J Crofts,  
I Gourlay, M Hopkins, H Humphrey, M Langwade, J Loveless, A Morrison,  
D Tyler, T de Winton and A Wright

**Portfolio Holders:**

Agenda Item 8

Councillor N Daubney, Leader and Portfolio Holder for Corporate/Strategic Issues and Resources

Councillor Mrs E Nockolds, Portfolio Holder for Health and Well Being

Agenda Item 9

Councillor N Daubney, Leader and Portfolio Holder for Corporate/Strategic Issues and Resources

**Chief Executive**

**Deputy Chief Executive and Executive Director, Finance and Resources**

**All other Executive Directors**

**Audit Manager**

**Press**

**REVIEW & DEVELOPMENT REPORT**

<b>Type of Report:</b> Annual Report	<b>Portfolio(s):-</b> Performance
<b>Author Name:</b> Sarah Munson	<b>Consultations:-</b> Cllr E Nockolds David Thomason Jo Stanton
<b>Tel:</b> 01553 616560	
<b>Email:</b> sarah.munson@west-norfolk.gcsx.gov.uk	
<b>OPEN</b>	

**PR&D Panel:** Resources and Performance Panel – Audit and Risk Committee  
**Date:** 23 July 2013  
**Subject:** Annual Report of Benefit Investigations Unit

<p><b>Summary</b></p> <p>The Benefit Investigations Unit undertake work to prevent and detect benefit fraud. This report provides Members with information regarding the work undertaken during the 2012/2013 financial year and looks forward into 2013/2014.</p> <p><b>Recommendation</b></p> <p>To note the report</p>
---

**1. Purpose of the report**

1.1 This report is intended to advise the Audit and Risk Committee of the work undertaken by the Benefit Investigations Unit during the 2012/2013 financial year.

**2. Background**

2.1 The administration of the national Housing Benefits Scheme by the Council is the biggest single service provided by the Council. In 2012/2013 just over £52 million (nearly £51 million in 2011/2012) was paid to 14,671 (14,560 in 2011/2012) claimants on low incomes to enable them to pay their rent and council tax payments. The Council's Benefit Investigation's Unit has the task of preventing and detecting benefit fraud.

**3. Work undertaken in 2012/2013**

3.1 Every year, the Investigations Unit receive fraud referrals from a number of sources. Each case is risk assessed for investigation. Some referrals were passed to the Department for Work and Pensions (DWP) as they involved Social security benefits. Referrals not investigated are logged within the Investigations Unit. Cases were investigated by the 3 Fraud Investigations Officers in the Unit.

The table below details the number of referrals and investigations.

<b>Referrals/ Investigations</b>	<b>Number (2011/12)</b>	<b>2012/13</b>	<b>2012/13 (Apr to Sep)</b>	<b>2012/13 (Oct to Mar)</b>
Referrals received	874	854	417	437
Referrals not investigated	231	192	97	95
Passed to DWP	202	144	76	68
Referrals investigated	441	518	244	274

3.2 The Unit has a Fraud Policy which sets out the Council’s objectives and lays down guidelines on those cases that should be considered for prosecution. The Unit carry out regular Fraud Awareness training to staff in the Benefits Section, the Council Information Centre, Housing and other interested Departments.

3.3 Members of the public can contact the Investigations Unit using the free-phone telephone number 0800 281 879 or can complete a referral on-line via the Council’s website. All information is treated in the strictest confidence.

3.4 Of the 518 cases that were formally investigated, 44 (61 in 2011/12) cases resulted in fraud being proven where formal action was taken, as the evidence gained was considered ‘beyond all reasonable doubt’.

16 (19 in 2011/12) cases were taken forward for prosecution and the following sentences were given:-

- 12 month Community Order & attendance at Women’s Emotional Wellbeing Course
- 90 hours unpaid work
- 12 month Conditional Discharge
- 50 hours unpaid work & £100 costs
- £50 costs & 12 month Conditional Discharge
- Electronic tag with weekend curfew from 9am to 12 noon & 3pm to mid-night for 6 weeks
- 9 month prison sentence, suspended for 2 years, 150 hours unpaid work and £300 costs
- 12 month Conditional Discharge & £100 costs
- 3 month curfew from 7pm to 7am & £100 costs
- 80 hours unpaid work
- £100 fine & £100 costs
- 50 weeks prison sentence, suspended for 2 years & attendance at Women’s Emotional Wellbeing Course

## AGENDA ITEM 8

- £300 fine & £100 costs
- £240 fine & £50 costs
- £200 fine & £100 costs

Prosecution cases have been reported within the press.

In addition to the above, 16 (22 in 2011/12) cases were offered and accepted an Administrative Penalty. An Administrative Penalty is an alternative to prosecution at 30% of the total overpayment, which is added to the overpayment to be recovered.

Cases where an offence has been committed wholly, or an attempt is made, where an offence of benefit fraud has been committed, but the fraud is discovered and stopped before any overpayment of benefit is made, after 8 May 2012, the Council will offer a minimum penalty of £350 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £2,000), as per the Welfare Reform Act 2012.

12 (20 in 2011/12) other cases were offered and accepted a Simple Caution. The purpose of a Simple Caution is to deal quickly and simply with less serious offenders, to save unnecessary appearance in a criminal court and to reduce the chances of re-offending. A Simple Caution is a serious matter, which should be recorded and used in the future if a person should offend again. It may be cited in any subsequent court proceedings.

<b>Formal Sanctions</b>	<b>Number (2011/12)</b>	<b>2012/13</b>	<b>2012/13 (Apr to Sep)</b>	<b>2012/13 (Oct to Mar)</b>
Total Sanctions	61	44	29	15
Prosecution	19	16	11	5
Administrative Penalty	23	16	11	5
Simple Caution	20	12	7	5

The table below details the 44 (61 in 2011/12) cases investigated. Their sources of referral are shown in Appendix A.

<b>Fraud Type</b>	<b>Number (2011/12)</b>	<b>2012/13</b>	<b>2012/13 (Apr to Sep)</b>	<b>2012/13 (Oct to Mar)</b>
Working & claiming benefit	24	21	14	7
Undeclared capital	16	7	3	4
Living together	15	11	7	4
Student loan	1	2	2	0
Undeclared Tax Credits	2	0	0	0
Non residency	0	2	2	0
Contrived tenancy	0	1	1	0
Undeclared private pension	3	0	0	0



- 3.5 Of the 518 cases investigated, 197 (141 in 2011/2012) (including the 44 prosecution, penalty and caution cases), resulted in a 'positive outcome/saving'. Benefit claims were corrected, following the Investigation's Unit intervention where Housing and Council Tax Benefit cases have either been stopped, or corrected and identified an overpayment that is not fraudulent.

The table below details the 197 cases investigated. Their sources of referral are shown at Appendix B.

<b>Fraud Type</b>	<b>Number (2011/12)</b>	<b>2012/13</b>	<b>2012/13 (Apr to Sep)</b>	<b>2012/13 (Oct to Mar)</b>
Non residency	30	40	18	22
Student Loan	0	2	2	0
Working & claiming benefit	41	60	22	38
Undeclared income	8	47	2	45
Contrived tenancy	9	0	0	0
Undeclared capital	12	7	4	3
Living together	8	10	3	7
Undeclared private pension	10	24	14	10
Undeclared tax Credits	13	0	0	0
Undeclared Industrial injuries Benefit	1	0	0	0
Undeclared non dependant	7	6	6	0
Undeclared Invalid Care Allowance	1	0	0	0
Undeclared Incapacity Benefit	1	1	0	1

#### **4. Financial implications**

- 4.1 In the past, the work of the Investigations Unit was directly funded by the government with rewards for achievements of targets. Costs towards fraud prevention and detection are now all included within the Administration Subsidy that the Council receives to administer the Housing Benefit Scheme.
- 4.2 The Investigations Unit though do still generate income in addition to the government funding through the costs awarded against proven cases and the repayment of overpayments of benefit.

The table below details the overpayments identified for recovery.

<b>Designated Overpayment</b>	<b>Amount (2011/12)</b>	<b>2012/13</b>	<b>2012/13 (Apr to Sep)</b>	<b>2012/13 (Oct to Mar)</b>
Fraud	160,703.37	163,509.34	66,106.04	97,403.30
Claimant	206,868.81	210,231.46	68,515.39	141,716.07
Local authority error	3,141.56	6,277.45	5,429.62	847.83
Admin Delay	0.00	1,087.01	63.30	1,023.71
<b>Total</b>	<b>370,713.74</b>	<b>381,105.26</b>	<b>140,114.35</b>	<b>240,990.91</b>

- 4.3 In many cases the individuals are on low levels of income but the Council will make arrangements for repayment of benefits to be made over a period of time. This does mean that the level of overpayments recovered in a period is not high. The percentage of monies recovered from the overall amount outstanding of overpayments in 2012/13 is 25.2% (29.5% in 2011/12).

## **5. Work plan**

- 5.1 Benefit Investigations Unit Performance Measures for 2013/2014
- 150 Cases investigated with a positive outcome/saving
  - 50 Fraud sanctions
- 5.2 The Borough Council takes part in the National Fraud Initiative data matching, two yearly. The data match is administered by the Audit Commission. The Audit Commission were provided with the Council's Housing and Council Tax Benefit data. 1,386 possible matches were received on 29 January 2013, and this forms part of our ongoing work programme.
- 5.3 Regulations have been made under Section 14 of the Local Government Finance Act 1992 (as amended) in exercise of The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 to bring in the necessary powers, offences and penalties, to allow local authorities to investigate and tackle potential fraudulent Local Council Tax Support Scheme claims. These are similar to existing rules in relation to Council Tax Benefit which ended on 31 March 2013. The amount of penalty as alternative to prosecution (Administrative Penalty) is 50% of the amount of the excess reduction, subject to a minimum amount of £100 and a maximum amount of £1,000.
- 5.4 Pro-active drives will be completed when required, and considered necessary dependant on the time and circumstances. Pro-active drives can be completed upon a particular firm, employer or landlord.
- 5.5 The Government have amended rules through a fraud and error strategy and have introduced 5 new Loss of Benefit (LOB) levels, where offences occur wholly after 1 April 2013, as follows:

**Level 1** – Offences which result in an administrative penalty or caution will continue to result in a LOB penalty of 4 weeks.

## **AGENDA ITEM 8**

**Level 2** – For a first benefit fraud conviction the LOB penalty duration will increase from 4 to 13 weeks.

**Level 3** – Where there are two offences, within a set time period of 5 years, with the latter offence resulting in a conviction, the LOB penalty will be for a period of 26 weeks.

**Level 4** – A 3 year LOB penalty will be introduced where there are three offences within a set time period of 5 years, the last offence resulting in a conviction.

**Level 5** – An immediate 3 year LOB for serious organised and identity fraud cases.

The Loss of Benefit levels only apply to Department for Work and Pensions Social Security benefits and Housing Benefit only.

### **6. Further information**

Copies of the Council's Benefits Fraud Policy and Fraud Awareness Guidance can be obtained from Sarah Munson, the Council's Fraud Investigations Manager, telephone 01553 616560, e-mail: [sarah.munson@west-norfolk.gcsx.gov.uk](mailto:sarah.munson@west-norfolk.gcsx.gov.uk)

APPENDIX A

REFERRALS – ‘BEYOND REASONABLE DOUBT’

Source of Referral	Number (2011/12)	2012/13	2012/13 (Apr to Sep)	2012/13 (Oct to Mar)
Housing Benefit Data Matching Service	28	15	8	7
DWP	14	14	11	3
Hotline	5	0	0	0
Other Council	0	1	1	0
Housing Benefits Section	5	6	4	2
National Fraud Initiative	3	1	1	0
Overpayment Section	1	1	0	1
Benefit Enquiry Unit	1	2	2	0
Recovery Section	1	0	0	0
CIC	1	2	2	0
Anonymous Letter	1	1	0	1
Housing Association	1	0	0	0
Other LA Section	0	1	0	1

**APPENDIX B**

**REFERRALS – POSITIVE OUTCOME/SAVING**

<b>Source of Referral</b>	<b>Number (2011/12)</b>	<b>2012/13</b>	<b>2012/13 (Apr to Sep)</b>	<b>2012/13 (Oct to Mar)</b>
Housing Benefit Matching Service	83	139	38	101
DWP	7	14	5	9
Housing Association	2	2	2	0
Benefits Visiting Section	9	6	3	3
Hotline	7	5	3	2
Housing Benefits Section	13	7	5	2
Returned mail	2	13	10	3
National Fraud Initiative	6	1	0	1
Overpayment section	2	0	0	0
Recovery section	1	0	0	0
Pro-active Drive	1	0	0	0
BEU	1	3	1	2
Anonymous letter	1	0	0	0
CIC	3	2	1	1
Housing CTAX Section	0	0	0	0
Police	2	1	0	1
Online Referral	1	0	0	0
Other LA Section	0	1	1	0
Press	0	2	2	0
Press	0	1	0	1

**AUDIT AND RISK COMMITTEE REPORT**

<b>TYPE OF REPORT:</b> Audit	<b>Portfolio:</b>
<b>Author Name:</b> Kate Littlewood	<b>CONSULTATIONS:</b>  Deputy Chief Executive Democratic Services Officer Chair, Audit and Risk Committee
<b>Tel.:</b> 01553 616252	
<b>Email:</b> kate.littlewood@west-norfolk.gcsx.gov.uk	
<b>OPEN</b>	

**PR & D Panel:** RESOURCES AND PERFORMANCE PANEL – AUDIT AND RISK COMMITTEE

**Date:** 23<sup>rd</sup> July 2013.

**Subject:** Review of the Effectiveness of the Audit and Risk Committee

**Summary**

This report provides Committee Members with the results of the Review of the Effectiveness of the Audit and Risk Committee for 2012-13.

**Recommendation**

To note the contents of the review and the resulting 'Actions Required'.

**1.0 INTRODUCTION AND BACKGROUND**

- 1.1 The Audit and Risk Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were approved by Council in November 2006.
- 1.2 Under the Accounts and Audit Regulations 2011, a council is required '*to ensure that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions*'.
- 1.2 Good corporate governance requires independent, effective assurance about the adequacy of financial and operational management and reporting. This assurance is best delivered by a committee that is independent from the executive and scrutiny functions. This is provided by the Audit and Risk Committee.
- 1.3 In order to ensure that this monitoring of governance is carried out effectively, a regular review of the role and activities of the Audit and Risk Committee is necessary.

## AGENDA ITEM 9

- 1.4 The previous review, reported to this Committee on 26<sup>th</sup> June 2012, indicated that the Committee was providing an effective service and no recommended actions were required. However it proposed that a detailed review of the Committee's Terms of Reference should take place every three years and the results submitted to Council for approval. This is currently being undertaken and will be reported to the meeting on 8<sup>th</sup> August 2013.

### 2.0 REVIEW DETAILS

- 2.1 The review was completed by the Audit Manager using a checklist compiled by CIPFA. The completed checklist is attached as **Appendix 1** of this report. In addition information has been compiled on the reports considered by the Committee. The draft report was then considered by the Chair and Vice Chair.
- 2.2 The responses in the checklist are ticked as:
- 'Y' – Yes. The criteria have been met and no action is required.
  - 'P' – Partial. The criteria have only been met in part, some action may be required.
  - 'N' – No. The criteria have not been met and action may be required.
- 2.3 The review indicates that the Committee is functioning correctly as an audit committee and is effective in its role.

### 3.0 ITEMS CONSIDERED DURING 2012-13

- 3.1 Throughout 2012-13 the Audit and Risk Committee held 11 meetings and received a total of 24 reports on a number of issues, including:

#### Internal Audit

- Internal Audit Annual Report 2011-12.
- Review of the Effectiveness of the Internal Audit Service.
- Internal Audit Strategic Plan 2012-13, Quarterly Progress Reports.
- The Future Provision of Local External Audit.
- Draft Local Audit Bill 2012.
- Protocol for liaison between Internal and External audit 2012-13.
- Health and Safety Internal Audit report

#### External Audit

- Report to those charged with Governance (ISA 260).
- Annual Audit Letter.

#### Finance

- Revenue Outturn 2011-12.
- Capital Programme and Resources 2011-13
- Annual Treasury Report 2011-12.
- Mid-year review Treasury Report 2012-13.
- Statement of Accounts 2011-12

**Fraud**

- Fraud and Investigations Unit – Annual Report 2011-12.
- Fraud and Investigations Unit – half yearly report.
- National Fraud Initiative 2010-12 Summary of work.

**Corporate Governance and Risk**

- Corporate Risk Monitoring Report – 6-monthly report (2 reports).
- Annual Governance Statement.
- Review of the Effectiveness of the Audit and Risk Committee.

A summary of the content of each report has been compiled by Democratic Services and is attached as **Appendix 2**.

- 3.2 Training was offered to Committee members during the year on Treasury Management.
- 3.3 In addition the Committee were given a tour of Mintlyn Crematorium and the Corn Exchange to better appreciate the facilities and work undertaken at these venues.

**4.0 OUTCOMES**

- 4.1 The outcome of the report will be to:
- Show evidence that the Audit and Risk Committee is effective in its role.
  - Satisfy the requirement of an annual review of the effectiveness of the Audit and Risk Committee.

**5.0 CONCLUSIONS**

- 5.1 During 2012-13 the Audit and Risk Committee received and commented on all relevant reports and actively monitored risk and internal controls. As a result it is continuing to perform effectively and the Council is meeting its requirements under the Accounts and Audit Regulations 2011.



**Borough Council of King's Lynn and West Norfolk  
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1  
For the year 2012-13**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
<b>1. ESTABLISHMENT, OPERATION AND DUTIES</b>						
<b>Role and Remit</b>						
1.1	Does the audit committee have written Terms of Reference?	Y			Terms of Reference approved by Council.	
1.2	Do the Terms of Reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y				
1.3	Are the Terms of Reference approved by the council and reviewed periodically?	Y			Approved by Council 30 <sup>th</sup> November 2006 and reviewed 22 <sup>nd</sup> July 2010. Due for review this year.	Review Terms of Reference and present to Council for approval.
1.4	Can the audit committee access other committees and full council as necessary?	Y			All Members attend Full Council and can speak at any other meeting under Standing Order 34.	
1.5	Does the authority's Annual Governance Statement include a description of the audit committee's establishment and activities?	Y			Section 7 'Review of effectiveness' contains a summary of the work carried out by the Committee.	
1.6	Does the audit committee periodically assess its own effectiveness?	Y			Last assessed and reported on 26 <sup>th</sup> June 2012.	
<b>Membership, Induction and Training</b>						
1.9	Has the membership of the audit committee been formally agreed and a quorum set?	Y			Formally appointed by Council 10 <sup>th</sup> May 2012. Quorum set through Standing Orders.	
1.10	Is the chair independent of the executive function?	Y				
1.11	Has the audit committee chair previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			Experience through personal work life. Previous member of Council Audit & Risk Committee.	

**Borough Council of King's Lynn and West Norfolk  
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1  
For the year 2012-13**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
1.12	Are new audit committee members provided with appropriate induction?	Y			Training is offered to all Members by Democratic Services.	
1.13	Have all member's skills and experiences been assessed and training given for identified gaps?		P		Democratic Services issued a questionnaire to all Members on training required but the response was disappointing. A training programme has been designed to cover all previously identified training needs and Members can request specific training if necessary.	Identify if any specific training is required by members of the Audit & Risk Committee
1.14	Has each member declared his or her business interests?	Y			Records of interest are kept by Democratic Services. Standing item on each agenda.	
1.15	Are members sufficiently independent of other key committees of the council?		P		Independent of Executive, but members of the Audit & Risk Committee also sit as the Resources and Performance Panel.	No action required. Format satisfies the current regime.
<b>Meetings</b>						
1.16	Does the committee meet regularly?	Y			Held 11 meetings during 2012-13.	
1.17	Do the Terms of Reference set out the frequency of meetings?	Y			Minimum of 4 meetings, but this can be increased if necessary.	
1.18	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			Meeting dates are co-ordinated with Cabinet and specific key events during the year.	
1.19	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y			Attendance records are kept by Democratic Services and consistent non-attendance would be referred to the relevant party leader.	
1.20	Are members free and open without political influences being displayed?	Y				
1.21	Does the authority's s151 officer or deputy attend all meetings?	Y			Executive Director Resources is the Deputy s151 Officer and attends all	

**Borough Council of King's Lynn and West Norfolk  
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1  
For the year 2012-13**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
					meetings. The Financial Services Manager /s151 Officer attends for specific financial reports.	
1.22	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Relevant officers present reports and answer questions.	
1.23	Are decisions reached promptly?	Y			Where necessary decisions are made at the end of each item on the agenda.	

<b>2. INTERNAL CONTROL</b>						
2.1	Does the audit committee consider the findings of the annual review of effectiveness of the system of internal control (as required by the Accounts and Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			Audit Manager's Annual Report and Report on the Effectiveness of Internal Audit presented on 25 <sup>th</sup> June 2013.	
2.2	Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	Y			To be presented to a Special Meeting on 9 <sup>th</sup> September 2013 as a separate report from the Statement of Accounts 2012-13.	
2.3	Does the audit committee consider how meaningful the Annual Governance Statement is?		P		Some discussion on the content.	Briefing session on the relevance of the Annual Governance Statement to be arranged, possibly for the meeting on 27 <sup>th</sup> August 2013.
2.4	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Receives various reports throughout the year on matters relating to Internal Audit, External Audit, Finance, Fraud, Corporate Governance and Risk Management.	
2.5	Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	Y			Cabinet forward decision is reviewed prior to each meeting to identify any relevant reports.	

**Borough Council of King's Lynn and West Norfolk  
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1  
For the year 2012-13**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
2.6	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y			Contained within the report setting the Strategic Internal Audit Plan for each year.	
2.7	Does the audit committee review the authority's strategic risk register at least annually?	Y			Twice a year.	
2.8	Does the audit committee monitor how the authority assesses risk?	Y			Included in the 6-monthly report and the review of the Risk Management Strategy every 3 years.	Risk Management Strategy review will be carried out during 2013-14.
2.9	Do the audit committee's Terms of Reference include oversight of the risk management processes?	Y			Sec 4.1(a) and (b) refers.	
2.10	Does the audit committee take a role in overseeing anti-fraud and whistleblowing arrangements?	Y			Sec 4.1(a) refers.	

<b>3. FINANCIAL REPORTING &amp; REGULATORY MATTERS</b>						
3.1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Terms of Reference, Sec 3.1(a) and (c). Timetable of meetings includes Special Meetings in June and September to consider Statement of Accounts.	
3.2	Does the audit committee consider specifically: <ul style="list-style-type: none"> <li>▪ The suitability of accounting policies and treatments</li> <li>▪ Major judgements made</li> <li>▪ Large write-offs</li> <li>▪ Changes in accounting treatment</li> <li>▪ The reasonableness of accounting estimates</li> <li>▪ The narrative aspects of reporting?</li> </ul>	Y			Reports cover all aspects stated.	
3.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			September meeting each year.	

**Borough Council of King's Lynn and West Norfolk  
Audit and Risk Committee Self-Assessment Exercise**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
3.4	Does the audit committee review management's letter of representation?	Y			Management comments are included in the covering report to the external auditors report.	
3.5	Does the audit committee annually review the accounting policies of the authority?	Y			Included in the Statement of Accounts report.	
3.6	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			Chief Accountant/ s151 Officer and Executive Director Resources attend to explain the processes and answer questions.	
3.7	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	Y			Members' Bulletin is circulated to all Members and contains updates and circulars.	

<b>4. INTERNAL AUDIT</b>						
4.1	Does the audit committee approve annually, and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			Internal Audit Strategic Plan 2013-14 presented on 26 <sup>th</sup> March 2013. Details of how the plan was compiled are included in the covering report.	
4.2	Does internal audit have an appropriate reporting line to the audit committee?	Y			Direct access to Chair and Vice Chair.	
4.3	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Audit Manager?	Y			Quarterly Progress reports are presented in April, July, October and February. The Audit Manager's Annual Report is presented in June.	
4.4	Are follow-up audits by Internal Audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Included in the progress reports.	
4.5	Does the audit committee hold periodic private discussions with the Audit Manager?			N	The facility is available if required.	To be clarified in the revised Terms of Reference.
4.6	Is there appropriate co-operation between the internal and external auditors?	Y			A working protocol is agreed on an annual basis.	

**Borough Council of King's Lynn and West Norfolk  
Audit and Risk Committee Self-Assessment Exercise**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
4.7	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			As part of the consideration of the Internal Audit Strategic Plan.	
4.8	Has the audit committee evaluated whether its internal audit service complies with CIPFA's Code of Practice for Internal Audit in Local Government?	Y			Internal Audit effectiveness is reviewed annually, with this year's being presented to the Committee on 25 <sup>th</sup> June 2013.	
4.9	Are internal audit performance measures monitored by the audit committee?	Y			Key Performance Indicators are included in the Internal Audit Strategic Plan and reported on in each progress report.	
4.10	Has the audit committee considered the information it wishes to receive from internal audit?	Y			Requested further information on the progress of work in relation to the National Fraud Initiative.	

<b>5. EXTERNAL AUDIT</b>						
No	Issue	Y	P	N	Evidence/ Comment	Action Required
5.1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			External Audit presented the 2012-13 plans at the meeting on 23 <sup>rd</sup> April 2013.	
5.2	Does the audit committee hold periodic private discussions with the external auditor?			N	The facility is available if required.	To be clarified in the revised Terms of Reference.
5.3	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			Presented at the meeting on 11 <sup>th</sup> September 2012.	
5.4	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Recommendations are taken into account when preparing the Internal Audit Strategic Plan.	
5.5	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit inspection letter?	Y			Report to those charged with governance (ISA 260) – September 2012 Annual Audit Letter – November 2012 External Audit Plan – April 2013	
5.6	Does the audit committee assess the performance of external audit?	Y			Considered as reports are presented.	

**Borough Council of King's Lynn and West Norfolk  
Audit and Risk Committee Self-Assessment Exercise**

**APPENDIX 1  
For the year 2012-13**

No	Issue	Y	P	N	Evidence/ Comment	Action Required
<b>6. ADMINISTRATION</b>						
<b>Agenda Administration</b>						
6.1	Does the audit committee have a delegated secretary from Committee/Member Services?	Y				
6.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y			Usually about 2 weeks prior to meeting.	
6.3	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			Work programme set for a rolling year.	
6.4	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?			N	Any Other Business is not an item on the agenda. Only Urgent Business is accepted under Standing Order 7.	No action required – Corporate template for agendas.
<b>Papers</b>						
6.5	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y			Work programme is designed to ensure the timing and frequency of routine relevant reports is appropriate. Ad hoc reports are presented as circumstances arise.	
6.6	Does the audit committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?			N	The format is a corporate template.	No action required.
<b>Actions Arising</b>						
6.7	Are minutes prepared and circulated promptly to the appropriate people?	Y			Usually within a week of the meeting.	
6.8	Do action points indicate who is to perform what and by when?	Y			If action is required.	

<b>29.05.12</b> (31 mins)		
ARC7: Benefit Investigations Unit Annual Report	The Fraud Investigations Manager presented the Benefit Investigations Unit Annual Report which provided Members with information regarding the work undertaken during the 2011/2012 financial year and looked forward into 2012/13.	<b>RESOLVED:</b> The Committee noted the report.
ARC8: Corporate Risk Monitoring Report April 2012	The Audit Manager presented the report which detailed the changes to the Risk Register since the last monitoring report in November 2011 and gave details of the risks falling into the 'Very High' category and the associated work to mitigate the effects.	<b>RESOLVED:</b> The Committee noted the report.
<b>14.06.12</b> (35 mins)		
ARC16: Revenue Outturn 11-12	The Chief Accountant presented the report, which set out the revenue outturn of 2011/2012 for the General Fund. The report showed details of the major differences between actual costs/income and the revised estimates for 2011/2012 reported in the February monitoring report.	<b>RESOLVED:</b> That Cabinet be advised that the Resources and Performance Panel supports the recommendation as set out in the report to Cabinet as follows:  That Cabinet approves the revenue outturn and proposed transfers to reserves for 2011/2012.
ARC17: Capital Programme and Resources 11-13	The Chief Accountant presented the report which provided details of the outturn of the 2011/2012 Capital Programme and outlined amendments and rephrasing to the spending on schemes, revising the programme for 2012/2013. The Capital Programme outturn for 2011/2012 totalled £5,542,502 against an approved budget of £6,211,930. Members were advised that it had been necessary to rephase a total of £853,990 of scheme costs to 2012/2013.	<b>RESOLVED:</b> That Cabinet be advised that the Resources and Performance Panel supports the recommendations as set out in the report to Cabinet as follows:  1) That Cabinet note the outturn of the capital programme for 2011/2012 of £5,542,502.  2) That the financing arrangements for the 2011/2012 capital programme be approved;  3) That Cabinet approve the revised 2012/2013 capital programme of £8,119,370 as detailed in the report.  4) That a detailed review of the 2012-2015 capital programme and resources be undertaken as detailed in the report and a report presented to the 30 October 2012 Cabinet.



<b>26.06.12</b> (56 mins)		
ARC25: Health and Safety Internal Audit Report	<p>The Audit Manager presented the report and explained that an audit of Health and Safety had been carried out by the Internal Audit department. She explained that the report had been presented to the Committee as it had an overall conclusion of 'limited assurance'. The Safety and Welfare Adviser had identified that the current process for developing and maintaining procedure manuals for individual service areas required a review of the procedure to establish a simpler method of updating the system.</p> <p>The Panel was informed that the results of the internal audit recommended commissioning an external specialist to review all Health and Safety documents and procedures.</p>	<b>RESOLVED:</b> The Committee noted the report.
ARC26: Internal Audit Annual Report 11/12	<p>The Audit Manager presented the report which provided members with an overview of the work undertaken by the Internal Audit Section and provided an assurance opinion to support the Annual Governance Statement.</p> <p>The Audit Manager explained that the Council's External Auditors had confirmed that they were satisfied with the work carried out by Internal Audit.</p>	<b>RESOLVED:</b> The Committee noted the report.
ARC27: Review of the Effectiveness of the internal audit service	<p>The Audit Manager presented the report which provided the Committee with the results of the review. She explained that the results had been included in the Annual Governance Statement.</p> <p>The review was supported by completion of the CIPFA Checklist for Compliance with the Code of Practice for Internal Audit 2006.</p>	<b>RESOLVED:</b> The Committee noted the contents of the review and the resulting actions required.
ARC28: Review of the Effectiveness of the Audit and Risk Committee	<p>The Audit Manager presented the report which provided Members with the results of the review. The review was supported by completion of the CIPFA Checklist for Compliance with the Code of Practice for Internal Audit 2006</p>	<b>RESOLVED:</b> The Committee noted the contents of the review and the resulting actions required.
ARC29 – Annual Treasury Report 11-12	<p>The Chief Accountant presented the report which looked back over 2011/2012</p>	<b>RESOLVED:</b> That Cabinet be informed that the Resources and Performance – Audit and Risk Committee support the recommendations as set out in the Cabinet Report.
<b>24.07.12</b> (16 mins)		
ARC38: Internal Audit Plan 2012/13 – Progress Report for	<p>The Audit Manager presented the report which showed the Internal Audit activity for the quarter April to June 2012 against the Strategic Audit Plan</p>	<b>RESOLVED:</b> The Committee approved the report on the Internal Audit workplan for April to June 2012.

the Quarter April to June 2012	2012/2015 and provided an opportunity for Members to seek further information if required.	
<b>28.08.12</b> (21mins)		
ARC47 – National Fraud Initiative Summary of Work	The Audit Manager presented the report which summarised the results received from the National Fraud Initiative as a result of the data matching exercise and the work carried out by the Council staff on the matches. She explained that the exercise was carried out every two years.	<b>RESOLVED:</b> (i) The Committee noted the results of the work completed so far on the matches produced by the National Fraud Initiative and confirmed the approach to the investigations and the resources allocated to it. (ii) That an update report be provided to the Panel in six months' time.
ARC48 – Draft Local Audit Bill – Response to consultation	The Audit Manager presented the report which contained information on the Draft Local Audit Bill. She explained that since it had been announced to disband the Audit Commission, a consultation process had been carried out to establish the most suitable means of transferring its assets, liabilities and continuing functions to other bodies.	<b>RESOLVED:</b> (i) The Committee agreed with the suggested responses to the consultation document. (ii) That the comments made by the Committee be incorporated to the suggested response.

<b>11.09.12 Special Meeting</b> (43 mins)		
ARC44 – Statement of Accounts 2011/2012 Report to those charged with Governance (ISA (UK&I) 260)	The Chief Accountant presented a report that introduced the Statement of Accounts (SOA) 2011/12 – essentially the Statement was the final accounts set out in a format which included the Council’s balance sheet and associated notes. The report also considered the report from the auditor on the audit for the accounts 2011/2012 – the International Auditing Standard (ISA 260).	<b>RESOLVED:</b> That Cabinet be advised that the Resources and Performance Panel – Audit and Risk Committee supports the recommendation as set out in the report to Cabinet as follows:  It is recommended that Council approves the Statement of Accounts for 2011/2012 and notes the comments of the auditor in the ISA260.
ARC45 – Annual Governance Statement 2011/2012	The Chief Accountant presented a report that proposed the approval of the Council’s Annual Governance Statement for the year 2011/2012. Once a year a review must take place of the effectiveness of the systems of internal control and an Annual Governance Statement (AGS) (formerly the Statement of Internal Control) must accompany the Statement of Accounts.	<b>RESOLVED:</b> That Cabinet be advised that the Resources and Performance Panel – Audit and Risk Committee supports the recommendation as set out in the report to Cabinet as follows:  It is recommended that the Annual Governance Statement for 2011/12 be approved for adoption and the Leader of the Council and the Chief Executive sign accordingly.
<b>25.09.12 NO MEETING</b>		
<b>23.10.12</b> (29 mins)		
ARC54: Internal Audit Plan 2012/13 – Progress Report for the Quarter July to September 2012	The Audit Manager presented the report which showed the Internal Audit activity for the quarter July to September 2012 against the Strategic Audit Plan 2012/2015.	<b>RESOLVED:</b> The Committee approved the report on the Internal Workplan for July to September 2012.
ARC55: Corporate Risk Monitoring Report September 2012	The Audit Manager presented the report and highlighted the changes to the Risk Register since the last monitoring report in May 2012 and gave details of the risks falling into the ‘Very High’ category and the associated work to mitigate the effects.	<b>RESOLVED:</b> The Committee noted the report.
ARC56: Cabinet Report: Mid-Year Treasury Report 2012/2013	The Chief Accountant presented the report and explained that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (2011) and remained fully compliant with its requirements. Members were therefore advised that the Mid-Year Review report had been prepared in compliance with CIPFA’s Code of Practice.	<b>RESOLVED:</b> That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendation as set out in the report to Cabinet as follows:  Cabinet is asked to note the report and the treasury activity.
<b>27.11.12</b> – 26 mins		
ARC63: Annual Audit Letter 2011/2012	In the absence of the Council’s External Auditor, the Deputy Chief Executive presented the Annual Audit Letter 2011/2012.	<b>RESOLVED:</b> The Committee noted the report.

ARC64: Benefit Investigations Unit Half-Yearly Report	The Fraud Investigations Manager informed Members that the purpose of the report was to advise the Audit and Risk Committee of the work undertaken by the Benefit Investigations Unit during the first half of the 2012/2013 financial year.	<b>RESOLVED:</b> The Committee noted the report.
<b>26.02.13</b> – 19 mins		
ARC73: Internal Audit Plan 2012/13 – Progress Report for the Quarter October to December 2012	The Audit Manager outlined the work on-going and the other work carried out in the quarter October to December 2012.	<b>RESOLVED:</b> That the Committee's Work Programme be noted.
<b>26.03.13</b> – 18 mins		
ARC82: Strategic Internal Audit Plan 2013/2014	The Audit Manager presented the report which provided Committee Members with the opportunity to review the proposed Strategic Internal Audit Plan for 2013-2014.	<b>RESOLVED:</b> The Committee endorsed the new approach to developing the Strategic Internal Audit Plan and noted the work proposed for 2013-2014.

**AUDIT AND RISK COMMITTEE WORK PROGRAMME 2013/2014****10 June 2013**

- Final Accounts and Statement of Accounts for year ended 31 March 2013
- Quarterly Progress Final Report 2012/2013
- National Fraud Initiative – Update on Work

**25 June 2013**

- Internal Audit Annual Report 2012/2013
- Review of the Effectiveness of Internal Audit Service/Internal Audit Terms of Reference Update
- Risk Management

**23 July 2013**

- Audit and Risk Effectiveness Review
- Benefit Investigations Unit Annual Report

**27 August 2013**

- 1<sup>st</sup> Item Annual Governance Statement (Training session 30 minutes to which all Members will be invited to attend)
- Quarterly Progress Update Quarter 1 2013-2014
- Business Continuity – Annual Update

**9 September 2013**

(5.30 pm start – 1<sup>st</sup> Item – Statement of Accounts – training session – open to all Members 1 hour)

Special Meeting – to consider the Statement of Accounts 2012/2013

Annual Governance Statement

**24 September 2013**

**29 October 2013**

- Internal Audit Plan 2013/2014 – Progress report for the quarter July to September 2013
- Risk Management
- NFI Update
- Treasury Mid Year Report

**26 November 2013**

- Benefit Investigations Unit Half-Year Report – S Munson
- Annual Audit Letter – to be presented by the Council's External Auditor

**7 January 2014**

(5.30 pm start – Budget Process (1 hour) – 1<sup>st</sup> item – training sessions – open to all Members)

**27 January 2014**

**25 February 2014**

- Quarterly Progress Report Quarter 3 2013-2014
- Strategic Internal Audit Plan 2014-2015

**25 March 2014**

- Business Continuity – Annual Update
- BCKL&WN Audit Plan 2014/2015 (external)
- Internal Audit – Strategic Audit Plan 2014/15

**29 April 2014**

- Corporate Risk Monitoring Report (October 2013 to March 2014)