

**THE MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE**

HELD ON THURSDAY 15 JANUARY 2009

Present: Councillor G Pinkney (Chair)
Councillors E Bell, Mrs G Bleasdale, R Davison,
G Johnson and K McGonnell.

1. **THE MINUTES OF THE LAST MEETING** held on 11 December 2008, a copy of which had been circulated to each Member, were confirmed.
2. **INTERNAL AUDIT PROGRESS REPORT FOR 2008/2009**

Consideration was given to the report of the Audit Manager which gave details of progress made completing the 2008/2009 Internal Audit Plan, a copy of which had been circulated to each Member.

G Fletcher, Audit Manager reported that when agreeing the Internal Audit Plan for 2008/2009 it was considered necessary to focus attention on the transition to the new Council but at the same time ensure that the Council had an effective audit service. To accommodate the extra resources required for local government reorganisation during the year, the audit work had concentrated on the main financial systems of the Council and any urgent work.

Appendix 1 of the report summarised the planned audit work completed for the period. The aims and objectives of the audits of the Creditors and Payroll systems were shown, together with conclusions and any recommended actions agreed with the auditees.

Four of the ten main financial systems had now been completed for this year.

Appendix 2 showed a list of the planned audit work currently in progress. Five of the main financial systems audits were ongoing with one other to commence in the final three months of this financial year. He added that the Unit was on target to complete all audits by the end of March 2009.

Following discussion it was **RESOLVED** that the information given, be noted.

3. **National Indicator 181**

As agreed at the last meeting of the Committee, C Thompson, Benefits Manager was in attendance to discuss National Indicator 181 – time taken to process housing benefit/council tax benefit new claims and change events.

C Thompson briefed Members on the Council's performance stating that as Members were aware, the new National Indicator Set introduced on 1 April 2008 combined the figures for time taken to process housing benefit/council tax benefit new claims and change events, and the current performance in respect of NI 181 was ten days.

He continued that the new software system was able to identify errors made, for example, it would highlight if data had been input incorrectly. It also calculated

Audit Committee – 15 January 2009

the average number of days to process an application, however it could not highlight errors in benefits calculations.

With regard to the accuracy of benefits calculations he explained that the Department for Work and Pensions required the Council to examine 4% of every 100 applications received. A national tolerance level of between 2 and 3% was set for errors and if this was exceeded a further 10% sample was taken which helped establish reasons for errors made and highlight any recurring problems.

A Member commented that 4% was a very small sample and asked if this could be increased. C Thompson responded that resources were not available within the Unit to increase the number of checks, particularly in view of local government reorganisation, however both the Council's Internal Audit Section and the Audit Commission carried out their own checks on a percentage of the claims submitted. He stated that the Council was performing well in terms of accuracy of calculations. Last year £33m had been paid out in benefits and of that amount £50k had been paid incorrectly.

A Member asked how the Council was performing in relation to tackling benefit fraud, and C Thompson advised that the indicator relating to the number of cases per 1000 head of population was in the top quartile.

In terms of the number of overall benefits paid, he explained that in this financial year a further 800 claims had been submitted and this was expected to continue to rise in the current economic climate. Notwithstanding this benefits take-up would continue to be promoted as there was still a shortfall in benefits claimed.

A Member asked if the additional workload was having an effect on capacity and on staff morale, and suggested that this be referred to the Personnel Unit. C Thompson confirmed that it was a concern but that it was being managed. The Unit was coping with the additional workload at present and the Council was working closely with benefits staff in the other Durham Districts who were supporting each other in the transition period. However the situation would continue to be closely monitored.

Following discussion it was **RESOLVED** that the information given, be noted.

4. USE OF RESOURCES ASSESSMENT - 2008

For information Members were advised that confirmation had been received from the Audit Commission in relation to the Council's overall Use of Resources Judgement. A detailed report would be submitted to Audit Committee in due course.

RESOLVED that the information given, be noted.