

# Brighton & Hove City Council

**Council**

**Agenda Item 19**

**Subject:** Audit Report on Member Expenses

**Date of meeting:** 21 July 2022

**Report of:** Executive Director for Governance, People & Resources

**Contact Officer:** Name: John Peel

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**Ward(s) affected:** All

**For general release**

**Action Required of Council:**

To receive the report and extract from the Audit & Standards Committee for information.

## **Brighton & Hove City Council**

### **Audit & Standards Committee**

**4.00pm 28 June 2022**

**Council Chamber, Hove Town Hall**

#### **Minutes**

**Present:** Councillor Wilkinson (Chair) Peltzer Dunn (Group Spokesperson), Littman, Meadows, Shanks, West and Yates

**Independent Members present:** Helen Aston

#### **Part One**

### **15 AUDIT REPORT ON MEMBER EXPENSES**

- 15.1 The Committee considered a report of the Executive Director Executive Director Governance People & Resources that informed the Committee of the findings of the Internal Audit investigation into issues relating to expenses claims and to sought agreement to the recommendations in the report.
- 15.2 In response to questions from Councillor Yates, the Executive Director Governance People & Resources explained that the only mechanism to amend the Members Allowances scheme was through the Independent Remuneration Panel (IRP) and so this had not been included in the recommendations. Further, the Executive Director Governance People & Resources explained that the service had not operated exclusively on trust and confidence and evidence had been provided. However, it was true to say there had been on over-reliance upon trust and confidence and that was something that would be addressed as well as development of an expenses claim system that was easier to use and process.
- 15.3 In response to a question from Councillor Yates, the Executive Director Governance People & Resources agreed that the advice that had been provided to Councillor Yates as former Chair of the committee had been wrong and had been provided based on incorrect information on any discrepancies provided to him.
- 15.4 In response to a question from Councillor Yates, the Audit Manager (Counter Fraud), explained that there was no deception found in the claims looked at and where receipts had not been submitted, evidence was provided at a later date to evidence the childcare costs incurred.
- 15.5 In response to a question from Councillor Yates, the Orbis Chief Internal Auditor stated that the approach taken on the investigation would be the same as for a staff member or member of the public. The Audit report presented the

facts from the investigation and the interpretation and response was a matter for the Council.

15.6 Members then debated the report and comments were made on the validity of the claims made, effectiveness of the process controls and potential improvements to the claims system were made.

15.7 The Committee adjourned at 5.30pm and reconvened at 5.38pm

15.8 Councillor Littman moved the following amendment to recommendation 2.2 and additional recommendation 2.3 as shown in bold and strikethrough:

2.2 That Members agree the recommendations in section 5 of the report and instruct officers to implement the same **subject to amendments and addition to those recommendations as follows:**

5.7 All Members should be **supported with, and regularly reminded of**, their responsibilities to submit fully completed claim forms with supporting documentation within the relevant timeframe.

5.8 Democratic Services should ~~consider whether it is possible to~~ introduce electronic claim forms to reduce the possibility of a claim form being misplaced

**5.9 That officers are instructed to consult with the Independent Remuneration Panel (IRP) regarding extending the time limit for submitting claims to three months**

**2.3 That the Committee receive an update report as soon as reasonably possible to a future meeting.**

15.9 The Chair then put the motion to the vote that was agreed.

15.10 The Chair then put the recommendations as amended to the vote that were agreed.

15.11 **Resolved-**

1) That Committee notes the Internal Audit report into issues associated with Member expenses claims as set out in Appendix 1 to this report.

2) That Members agree the recommendations in section 5 of the report and instruct officers to implement the same subject to amendments and addition to those recommendations as follows:

5.7 All Members should be supported with, and regularly reminded of, their responsibilities to submit fully completed claim forms with supporting documentation within the relevant timeframe.

5.8 Democratic Services should introduce electronic claim forms to reduce the possibility of a claim form being misplaced

5.9 That officers are instructed to consult with the Independent Remuneration Panel (IRP) regarding extending the time limit for submitting claims to three months

- 3) That the Committee receive an update report as soon as reasonably possible to a future meeting.

The meeting concluded at 7.00pm