

## **FINAL ACCOUNTS AND AUDIT COMMITTEE**

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MINUTES of a MEETING of the FINAL ACCOUNTS AND AUDIT COMMITTEE held at COUNTY HALL, TROWBRIDGE on THURSDAY 13 DECEMBER 2007.

### **PRESENT:**

Mrs Scott (Chairman), Mr P C B Coleman, Mr A Davis, Mr M Hewson, Mr JP Johnson and Mr RS While

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This meeting was preceded by a presentation to Members of the Excelsis Performance Management System

#### **40. Apologies for Absence**

Apologies for absence were received from Mr JR Henning, Mr J Osborn, Mr KC Wren and Mr RT Rogers.

Apologies were also received from officers: Mr Gibbons, Mrs Schofield and Mr Gilbert from KPMG.

#### **41. Minutes of Previous Meeting**

##### **Resolved:**

**To confirm and sign the minutes of the meeting held on 27 September 2007.**

#### **42. Chairman's Announcements**

None.

43. **Members' Interests**

No interests were declared.

44. **Public Participation**

None.

45. **Audit Progress Report**

The Committee received a report from the Council's external auditors KPMG which summarised progress on the 2007/08 audit.

In response to a question from the Chairman on audits over the transitional arrangements, Melanie Watson from the Audit Commission (AC) explained that the AC was liaising with auditors auditing other councils going through the unitary process. Such an audit would be agreed with the Council and would concentrate on the auditors being reassured that all risks had been assessed appropriately.

It was noted that in order to avoid duplication of audit work between internal and external audit, a joint working protocol had been agreed with KPMG. The Annual Audit Inspection Letter would be submitted to the Council by the end of March 2008.

**Resolved:**

**That the report be noted.**

46. **Local Government Pension Funds – Proposal for Separate Status**

At the last meeting, the Committee had requested the Pension Fund Committee to respond to the consultation on changes recommended by the Audit Commission in respect of the Pension Fund. Accordingly, the Pension Fund Committee had considered and noted a report which explained the situation in more detail and referred it to this Committee for its information.

The Chief Auditor guided Members through the report .

**Resolved:**

**That the report be noted.**

47. **Annual Governance Statement Review process for 2007/08**

The Committee considered a report of the Deputy Monitoring Officer which explained the new requirement to prepare and publish an Annual Governance Statement from 2007/08 onwards and the current proposals for reviewing the

effectiveness of the Council's governance framework. The latter included the Council's system of internal control and for preparing the Annual Governance Statement for 2007/08.

**Resolved:**

**That the Committee notes the following:**

- (a) the new requirement to prepare an Annual Governance Statement for 2007/08,**
- (b) the current proposals for reviewing the effectiveness of the Council's governance framework, including its system of internal control and for preparing the Annual Governance Statement for 2007/08 and**
- (c) that a progress report will be brought to the next meeting of the Committee in March 2008.**

**48. Risk Management Update**

The Assistant Director (Performance and Review) presented a report which sought to advise the Committee of the developments and progress with the Council's risk management arrangements.

The Chairman welcomed Mrs Jan Collins the Council's recently appointed Risk Manager to this her first meeting of the Committee. The Risk Manager then guided Members through the report in more detail. Details of the Council's strategic risks and how they were being managed were presented.

The Risk Manager advised that she was currently in the process of updating the Risk Management Strategy (RMS) to reflect new developments such as the Annual Governance Statement and changing risk management within the Council's activities and partnerships. She suggested that the Committee might like to consider the RMS prior to it being presented to Cabinet for approval on 25 March 2008. As the next scheduled meeting of the Committee was not until 26 March, this would require an additional meeting.

The Chairman agreed to the holding of an additional meeting to consider the RMS and suggested that it should also be drawn to the attention of the Performance Group and the wider membership of the Council for their comments.

During discussion, some Members suggested that the provision of a replacement school for George Ward, Melksham and the Wellington Academy should be included in the list of risks.

**Resolved:**

**That the Committee notes the current developments and progress in the County Council's risk management arrangements, specifically:**

- (a) the management of strategic risks, as outlined in paragraph 6 and in the appendix A to the report presented,
- (b) that a special meeting be arranged to participate in the development of the new Strategy
- (c) the Risk Management Action Plan set out in appendix B of the report presented
- (d) the strengthening of the risk management assessment methodology appendix C of the report presented
- (e) progress in improving the link between the management of resources, performance, and risk, and the strengthening of risk management arrangements in general.

49. **Internal Audit Progress Report 2007/08**

The Chief Auditor presented the Internal Audit progress report for 2007/08 which detailed the position as at 31 October 2007 and provided a projection for the rest of the year and the issues arising.

The report provided a summary of the more significant issues arising from audit work carried out over the last quarter which related to:

- Local Public Service Agreement
- Fraud related work
- Individual budgets
- Financial Management Standards in Schools
- IT Developments – Flexible Working, email security/misuse, Freedom of Information Act requests and internet usage
- Proactive Advisory Work
- External Audit Liaison and
- Training

**Resolved:**

**That the Committee notes the content of the Internal Audit Progress Report for 2007-08, specifically:**

- (a) that at 31 October 2007, there was a shortfall of available audit days against the original plan, due primarily to long-term sickness, and by the end of the current year Internal Audit expected to achieve around 85% of the Audit Plan and
- (b) the summary of significant issues arising from audit work carried out to date.

50. **Internal Audit Benchmarking**

The Chief Auditor presented a report which gave benchmarking information for Internal Audit. The data compared Wiltshire County Council's Internal Audit team with other English county councils as well as with a smaller group of County Councils with similar characteristics to this Council.

**Resolved:**

- (a) That the Committee notes the benchmarking information for the WCC Internal Audit Team and its position relative to the other English counties, specifically:**
  - (i) That for 2006-07, the Internal Audit Team's costs were significantly below the average, whilst productive audit days fell below the national average for the first time, due to unusually high sickness.**
  - (ii) That over the past several years the Internal Audit Team's costs have continued to reduce in comparison to the national average.**
- (b) That the Committee notes that updated benchmarking information will be presented to future meetings as it becomes available.**

51. **Progress on Recommendations**

The Financial Accounting Manager presented a report to update the Committee on progress being made with implementing the external auditor's recommendations as contained in the Annual Governance Report Audit for 2006/07.

Three main recommendations had been made, details of which were presented which related to improvements in processes to maintain the quality of the statement of accounts and assurance statements. The Committee was advised of how these recommendations were being responded to with a view to complying with them.

**Resolved:**

**That the Committee notes the responses to the external auditor's recommendations as presented.**

52. **Committee's Work Programme**

The Committee received details of its work programme for 2008, invited to identify any further areas which required its consideration and to advise officers of any specific issues it would like to see addressed in the reports included in the programme.

**Resolved:**

**That the Work Programme be noted.**

(Duration of meeting: 2.30pm – 3.55pm)

The Officer who has produced these minutes is Yamina Rhouati, Democratic & Members' Services, direct line (01225) 718024 or e-mail [yaminarhouati@wiltshire.gov.uk](mailto:yaminarhouati@wiltshire.gov.uk)

Press enquiries to Communications, direct line (01225) 713114/713115.