

## Audit and Governance Committee

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**MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 27 APRIL 2022 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.**

**Present:**

Cllr Mark Connolly (Chairman), Cllr Stuart Wheeler (Vice-Chairman),  
Cllr Chuck Berry, Cllr Gavin Grant, Cllr George Jeans, Cllr Edward Kirk,  
Cllr Antonio Piazza, Cllr Pip Ridout, Cllr Mike Sankey and Cllr Martin Smith

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17 **Apologies**

Apologies were received from Cllr Adrian Foster.

18 **Minutes of the Previous Meeting**

The minutes of the meeting on 1 March 2022 were presented for consideration and it was,

**Resolved:**

**To approve and sign the minutes as a true and correct record.**

19 **Declarations of Interests**

There were no declarations of interest.

20 **Chairman's Announcements**

The Chairman made the following announcements:

- **Statement of Accounts 2019/20**

The Chairman stated that at the last committee delegation was given to Andy Brown (Corporate Director Resources, Deputy Chief Executive and s151 Officer) in consultation with himself, as Chair of the committee to approve the Statement of Accounts for 2019/20 once the final audit sign-off was received. The council had presented all outstanding evidence to Deloitte and was awaiting the final sign-off from them. There had been an issue raised nationally by one audit firm that all audit firms and CIPFA were now debating which was impacting the audit sign-off and approval of all local authority accounts. The issue was of a technical accounting

nature and was specifically in relation to the value held in local authority accounts for 'infrastructure assets' which, in the councils accounts are mainly roads. The items in the accounts that may be affected by the issue were of a technical accounting nature and similar to the issues the Committee had seen and been discussing on asset accounting. It was not known how long it would take to resolve the national issue, but the Committee would be kept updated as the issue progressed.

- **Recruitment of Independent Co-opted Members**

The Chairman announced that the Constitution Focus Group and the Standards Committee had met and approved the proposed changes to the constitution in order to allow the recruitment of independent co-opted members, with some minor clarifications to ensure the terms of reference were up to date and clear. Final approval of the changes would take place at Full Council on 17 May. The Independent Remuneration Panel had met to discuss remuneration for the independent co-opted member and they had more meetings planned. Further updates would come to the Committee as appropriate.

- **Agenda Order and Members Private Meeting with SWAP**

The Chairman announced that agenda item 9, The Q1 Internal Audit Plan would be moved up and taken after item 6. Also, the Members annual private meeting with SWAP would not take place after the Committee but would be arranged as a Teams meeting at a future date which would be confirmed to the Committee.

## 21 **Public Participation**

No public statements or questions had been received.

## 22 **External Audit Plans**

At the Chairman's invitation, Ian Howse (Deloitte) gave an update to the meeting.

Mr Howse highlighted that the 2019/20 accounts could not be signed off due to a national issue regarding the values held against 'infrastructure assets' as the Chairman had stated within his announcements. It was explained that CIPFA was expected to issue guidance in June which may mean there would be extra work to address the problem, which would then need to be audited.

The team was booked to start working on the 2020/21 accounts in July and it was highlighted that the team was positive about these as there was a good foundation to work from.

In response to questions Mr Howse explained that the national issue was delaying all local authority accounts that were unsigned. Wiltshire Council records regarding infrastructure assets were recorded as a lump sum. The cost recorded grew every time the asset was repaired, and this was the issue CIPFA was looking at. Many Council's also recorded them in this way, so Wiltshire

Council was not alone. Depending on the recommendations CIPFA provided the level of work generated could be quite challenging. It was not thought that the implications of this were any more difficult for the 2019/20 accounts than the 2020/21 accounts.

A debate followed whereby Members and officers discussed how infrastructure assets were valued and that Deloitte and Wiltshire Council would work together to address any guidance that came out.

## 23 **Policies on Anti-Fraud and Corruption, Anti-Tax Evasion and Whistleblowing**

### **a) Anti-Fraud, Bribery and Corruption Policy**

Lizzie Watkin (Assistant Director Finance and Deputy s151 Officer) introduced the refreshed Anti-Fraud, Bribery and Corruption Policy and this would be reviewed by the Committee going forward every 2 years. The policy itself could be seen in Appendix A. It was a zero-tolerance policy and applied to all staff including Members, suppliers and agency staff. A fraud risk assessment had been undertaken to understand risks and fraud awareness training had been developed for managers in service areas with more risk, such as accounts payable and procurement. The officer's recommendation was to approve the policy.

In response to questions the officer explained that the Council was part of a national fraud initiative, as part of which data was shared and cross referenced (for example with the DWP). In response to questions regarding the help available during COVID such as furlough and business grants it was explained that an agile workforce pool helped the Council to administer these and any risks had been managed as effectively as possible. The Council also sought to recover loss as a result of fraud. At the end of the debate it was,

#### **Resolved:**

**That the Audit and Governance Committee approve the Council's Anti-Fraud, Bribery and Corruption Policy.**

### **b) Anti-Tax Evasion Policy**

Lizzie Watkin introduced the new Anti-Tax Evasion Policy which contained guidance and actions to prevent tax-evasion. It provided a supporting mechanism for communicating, set out our responsibilities and included how to raise concerns. This again was a zero-tolerance policy that would be communicated on to staff and reviewed by the Committee every two years.

The Committee discussed the difference between tax evasion and tax avoidance and officers stated that they would clarify the wording around those in response to comments. It was,

**Resolved:**

**That the Audit and Governance Committee approve the council's Anti-Tax Evasion Policy with officers to amend the wording of point 2.2 to soften the language.**

**c) Whistleblowing Policy**

Perry Holmes (Director Legal and Governance) introduced the Whistleblowing Policy which gave people a mechanism to raise concerns and gave them protection. An officer group would triage concerns and see whether to investigate and or escalate matters. The Committee would receive annual updates on whistleblowing cases and how the policy was being used and the policy would be refreshed and approved every 2 years. It was noted that the charity Public Concern at Work was now called Protect and the policy would be updated to reflect this.

**Resolved:**

**To note the development of the Draft Whistleblowing Policy and the subject work to be undertaken once adopted.**

24 **Accounting Policies**

Lizzie Watkin (Assistant Director Finance & Deputy s151) presented the Accounting Policies 2021/22. The accounting policies come annually to the Committee; these policies would be used in the presentation of the draft Statement of Accounts for year ending 31 March 2022. It was noted that there had been some changes to the previous years accounting policies and that due to the concerns around infrastructure assets previously discussed at the meeting it may be necessary to update the policies once the CIPFA recommendations had been made. It was,

**Resolved:**

**That the Audit & Governance Committee approve the council's accounting policies for the financial year 2021/22 by those charged with governance, subject to changes that may result due to changes in guidance. Any resultant changes would come back to the Committee for approval.**

25 **Q1 Internal Audit Plan 2022/23**

Charlotte Wilson (SWAP) briefly presented the Q1 Internal Audit Plan which would be taken as read. The plan starting on page 94 of the agenda had been discussed with the director of resources and required approval by the Committee.

Members commented that they were pleased to see follow up actions in limited and no assurance audits. It was,

**Resolved:**

**To note the Q1 Internal Audit Plan 2022/23 and to approve the Internal Audit Charter.**

26 **Forward Work Programme**

The FWP was considered. It was noted that the FWP was a dynamic document which would be amended as required and that the Good Lives Alliance would be coming to the next meeting. It was,

**Resolved:**

**To note the FWP.**

27 **Date of Next Meeting**

The next regular meeting of the Audit and Governance Committee would be held on 21 July 2022.

28 **Urgent Items**

There were no urgent items. The Chairman thanked everyone for attending and closed the meeting.

(Duration of meeting: 10.00 - 11.35 am)

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