

AUDIT COMMITTEE

DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 11 APRIL 2018 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Tony Deane, Cllr Stewart Dobson (Vice-Chairman), Cllr Peter Evans (Substitute - Part II), Cllr Gavin Grant (Substitute - Part II), Cllr Mike Hewitt, Cllr Tony Jackson, Cllr Edward Kirk, Cllr Jim Lynch, Cllr Leo Randall and Cllr John Walsh

Also Present:

Michael Hudson, Ian Duncan, Ian Gibbons, Dr Carlton Brand, Mathew Tiller and Ian Withers

13 Apologies

Apologies were received by:

Cllr Ian Thorn who was substituted by Cllr Gavin Grant
Cllr Andy Philips who was substituted by Cllr Peter Evans

14 Minutes of the Previous Meeting

The minutes of the meeting held on 14 February 2018 were presented and it was;

Resolved

To approve and sign the Minutes of the meeting held on 14 February 2018.

15 Declarations of Interests

There were no declarations of interest.

16 Chairman's Announcements

The Chairman welcomed all those present to the meeting.

Michael Hudson, being his last meeting, was thanked for his role, contribution and support throughout his time at Wiltshire council and wished well for his future and new role.

Ian Duncan was welcomed as the Interim Director of Finance & Procurement.

Michael Hudson informed the committee that a meeting had taken place to discuss any impacts the Salisbury incident would have had on the accounts and that the situation would be closely monitored.

17 **Public Participation**

There were no members of the public present.

18 **Internal Audit & Counter Fraud Plan 2018/19**

Ian Withers, SWAP, introduced the item noting that the counter fraud plan had been merged with the internal audit plan, additional unplanned audits would take place throughout the year and that SWAP fees had increased by 8% for the new financial year.

A question was raised about the reorganisation of fraud arrangements and what that involved. It was noted that around four years ago a corporate fraud unit was set up and given three years to become self-financing and after reviewing the unit it was identified that they were not self-financing and a decision was made to remove the unit and transfer responsibility to internal audit for no extra cost.

It was noted that the council had put themselves forward to take part in a pilot being run by CIPFA, to develop a counter fraud hub in the South West, and that SWAP would take the work forward. This work should not incur any extra cost due to staff providing the required data and the pilot would hopefully result in savings.

A question was raised on the timing of the increase in fees, at a time when the council was trying to reduce costs and cutting back. It was noted that when the council joined SWAP a part of the sign up was to accept the pension liability, which had caused the increase. There had been no increase in fee from SWAP since 2011 and savings had been achieved by changing the external audit provider from KPMG to Deloitte. The fees would be monitored and there were options to reduce the fee going forward, although it was believed that currently the internal audit plan delivered value for money and that careful consideration should be taken if the committee wanted to reduce the fee going forward.

A recommendation to quantify the work schedule so it was clear as to the scale of work involved with each of the audits was made. Officers advised not to impose a prescriptive audit approach as it was the responsibility of SWAP to deliver the audits as they deemed necessary and that the success of this was being monitored taking into account the outcomes, fees and quality. SWAP agreed that a further breakdown could be provided but for the committee to be mindful that the audits timescales could change from what is reported to what actually happens.

A question was asked about the homeless reduction act and it was noted that the council had received a grant to join child care and homelessness system's. The council had new responsibilities to try and prevent teenagers from becoming homeless. Or in a child homelessness case, to find accommodation quickly. A full report had gone to Children's Select Committee.

It was agreed that urgent changes to audits would be agreed with statutory officers, in consultation with the Chairman and reported at the next committee meeting.

At the end of the debate it was;

RESOLVED

To approve the Internal Audit Plan and the Internal Audit Charter.

19 **Audit Task Group Update**

The Chairman introduced the report included in the agenda and gave a summary of the actions that were taken.

It was noted that by carrying out the research and actions, gaps within the forward work plan had been identified. A question was asked that if the committee was to take on more work would there be enough resources and scheduled meetings throughout the year and it was agreed that the forward work plan would need to be carefully scheduled.

It was also noted that the new CIPFA guidance had not yet been published and would be monitored.

At the end of the discussion it was;

RESOLVED

It was agreed to:

- 1. To note the report and the next steps required;**
- 2. To support the proposed changes to the Constitution agreed by the Constitutional Focus Group for submission to the Standards Committee on 18 April 2018;**
- 3. To agree the communication plan with OS, set out in the constitutional changes in paragraph 6.5 Part 2 Article 6, which recognises and accepts the separate and distinct roles of OS and Audit**

4. That further consideration be given to the inclusion of Independent Co-opted members in 12 months;

5. No further action be taken for the time being on the size of the Audit Committee.

20 **Forward Work Programme**

Transition from KPMG to Deloitte would need to be included on the forward work plan for the July meeting.

21 **Date of Next Meeting**

The next meeting would take place on the 24 July 2018.

22 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.00 - 11.30 am)

The Officer who has produced these minutes is Jessica Croman, of Democratic Services, direct line 01225 718262, e-mail jessica.croman@wiltshire.gov.uk

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