

AUDIT

DRAFT MINUTES OF THE AUDIT MEETING HELD ON 11 MARCH 2014 AT COUNCIL CHAMBER - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Richard Britton, Cllr Tony Deane (Chairman), Cllr David Jenkins, Cllr Julian Johnson, Cllr Helen Osborn, Cllr Linda Packard, Cllr David Pollitt and Cllr James Sheppard

Also Present:

Cllr Jane Scott OBE, Cllr Dick Tonge and Cllr Philip Whitehead

1 Apologies and Membership Changes

Apologies were received from Cllr Stephen Oldrieve and Cllr Stewart Dobson. Cllr Sheila Parker was unable to attend due to a family bereavement; a minutes silence was held as a mark of respect.

2 Chairman's Announcements

3 Minutes of the Previous Meeting

The minutes of the Audit Committee meeting held on 18 December 2013 were signed and approved by the Chairman.

4 Members' Interests

There were no declarations.

5 Public Participation and Committee Members' Questions

There were no public or councillor questions or statements submitted.

6 Scrutiny Management Committee Request

In response to the Overview and Scrutiny Management Committee Request from their 7 January 2014 meeting stating that the Audit Committee arrange a full audit of the Balfour Beatty Living Spaces Contract, the Chairman stated that an audit was already due in Q2 of the 2014/15 year and that it was part of the future plan which was to be approved later in the agenda.

Members raised concern at communication methods used by Balfour Beatty and a need to improve the reporting mechanisms in the contract. Dr Carlton

Brand (Corporate Director) provided clarity on the process and stated that improvements in the contract were to be reported in the next scrutiny meeting.

Resolved

To note the request from the Overview and Scrutiny Management Committee, and that a full audit of the contract was scheduled for the second quarter of 2014/15.

7 Internal Audit 2013/14 March Update Report

The report was introduced by the Associate Director (Finance) who thanked senior officers and the committee for their feedback.

David Hill (South West Area Partnerships) discussed areas where value had been added and thanked participants for their work on the customer satisfaction survey. Explanation was then provided on the appendices as detailed in the report papers.

Members raised concern over the delivery of projects over the year. It was stated in response that plans had been made to allocate reports differently and that some audits had been deferred due to the timing of the business plan and staff restructuring.

Conversation continued into the allocation of resources and centralisation. The nature of the partnership and the 95% target of the audit delivery were also discussed.

It was noted that there were no recommendations from the Pensions and System Administration.

David Hill stressed the need to be flexible and the intention to smooth delivery across the partnership.

Resolved

To note the update.

8 Internal Audit Plan 2014/15

The Associate Director (Finance) provided a brief introduction on the plan and request Members input.

Discussion continued on the benefits of joint audits and the need for flexibility in the programme.

Members discussed the new projects and requested clarification on the timing or process involved in such projects. Discussion continued on to the work plan

and a request was made for assurances that it would be completed on time. It was stated that more audits had been completed since the publication of the report.

The private meeting between internal audit and Members without the presence of council officers which had taken place in January was discussed and the potential to go forward with more of these meetings was raised.

Resolved:

To approve the internal audit plan

To arrange an annual meeting between the Committee and internal audit without the presence of council officers.

9 **KPMG - Certification of grants and returns**

Tara Westcott (KPMG) provided a summary of grants and reports for the 2013/14 financial year. The auditing grants were discussed and the adjustments that were made were explained. Recommendations and the reduction in audit fees was also highlighted.

Resolved:

To note the report from KPMG.

10 **KPMG - Protecting the Public Purse Fraud Briefing**

Tara Westcott (KPMG) presented to the Committee and provided a short introduction; stating the findings from the audit commission report and fraud protection result. The Committee noted a national fall in detected fraud. Detail was provided in regards to the Council Tax and Housing Benefit fraud, with specific detail into the 'Fraud Drivers' (or motives).

The Associate Director explained Wiltshire Council's fraud policy and that the figures provided in the presentation were not the Council's own but were instead that of the Audit Commission. A corporate fraud team has been installed within Wiltshire Council to revise the current fraud and corruption strategy.

The Chairman sought a conclusion to the report but in response, it was stated that the statistics were there to provide guidance and that further issues of fraud were 'still out there'.

Members asked questions of KPMG in relation to their findings and trends that could be seen in the figures. Concern was raised by Members in relation to the housing benefit and council tax benefit fraud figures.

Resolved:

To note the report from KPMG

To request a further update in six months to assess the progress in fraud detection

11 **KPMG - External Audit Plan**

Darren Gilbert (KPMG) introduced the External Audit Plan and explained the audit process to the Committee. The key audit risks were highlighted and it was stated that there were 'no significant risks' to the pension fund at this point.

Discussion included a request for clarification on the status of the Shurnhold site on the balance sheet, as to whether it was vacant or in use. The value of such a property on the balance sheet was explained and fees determined by the audit commission for Wiltshire Council were highlighted.

12 **Accounting Policies**

The Chief Accountant explained the accounting policies document to the Committee prior to it coming into effect.

Members discussion included 'limits to component account' and a request was made for more plain English to be used within the reports.

13 **Forward Work Programme**

No items were received for the Forward Work Programme.

14 **Date of next meeting**

The next meeting will be held on the 24 June 2014 (10:30AM) in the Kennet Room, County Hall, Trowbridge.

15 **Urgent Items**

There were no urgent items.

(Duration of meeting: 2.00 - 4.00 pm)

The Officer who has produced these minutes is David Parkes, of Democratic Services, direct line (01225) 718220, e-mail david.parkes@wiltshire.gov.uk

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