Wiltshire Council
Where everybody matters

AUDIT COMMITTEE

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 24 JANUARY 2017 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Richard Britton (Vice Chairman), Cllr Rosemary Brown, Cllr Tony Deane (Chairman), Cllr Mike Hewitt, Cllr George Jeans, Cllr Julian Johnson, Cllr Sheila Parker, Cllr David Pollitt and Cllr James Sheppard

---

1   Apologies and Membership Changes

Apologies were received from Cllr Stewart Dobson, Cllr Linda Packard, Dr Carlton Brand, and Mr Robin Townsend.

Cllr Jeans apologised for his non-attendance at previous meetings and sought clarity from Democratic Services as to attendance at future meeting dates.

2   Minutes of the Previous Meeting

Resolved:

To agree and sign the minutes of the meeting of the Audit Committee on 26 October 2016 as a true record.

3   Declarations of Interests

There were no declarations of interest

4   Chairman's Announcements

The Chairman had no announcements to make.

5   Public Participation

There were no members of the public in attendance.

6   SWAP- Internal Audit Update and Quarter 3 report

Ian Withers, assistant director at SWAP, presented the internal audit update and quarter three report, and tabled an updated programme of future audits. The officer highlighted that the outstanding ICT audit carried over from the

previous year's audit schedule, had now been finalised, and that there were no new risks to report.

In response to questions from members, the following points were made:

That SWAP would continue to chase up the outstanding priority four recommendations and would report back on progress at the next audit committee meeting.

That there was a discrepancy between the number of outstanding priority 4 recommendations in the report and in the schedule of upcoming audits and that SWAP would look into this.

That with regards to the large number of outstanding priority 3 and 4 recommendations relating to schools, targeting of the audit had been specifically at schools experiencing poorer outcomes and that the results had therefore not been unexpected. Michael Hudson (Associate Director for Finance) reported that he was confident that recommendations were all moving forward at an appropriate pace.

The results of the schools audit had been fed back to schools and that the issue would also be taken to the Schools Forum. It was clarified that problems were not purely financial.

The recommendations of the recently completed ICT audit would be reported back to the next Audit committee and that SWAP would make members aware if there were any matters requiring their more urgent attention.

Completion dates for the schedule audits would be included on the next report and updated on Healthy Organisations would be included in the forward work plan.

Audits that had commenced, but not completed prior to the year end, were considered on the `older plan' whereas those that were planned, but were yet to commence, would be included with the main schedule of works for the new year.

The numbers assigned to recommendations could be used to look up more detailed information on a secure online system and that there would be refresher training on this after the elections.

Resolved:
To note the internal audit report for Q3 2016/17.

To request that an update 'Healthy Organisations' be added to the Forward Work Plan.

To request that realistic start and finish dates for the audit be added to the plan.

To request that any issues arising from the IT report be reported to the Committee.

7   KPMG Grant Certification Report 2015/16

Adam Bunting, from KPMG, presented the Annual Report on Grants and Returns 2015/16 and explained that the pensions and capital receipts audits had received clean bills of health and that the housing benefits audit report had a `qualified' certification.

The auditor brought to the committee's attention page 15 of the report which highlighted key issues including income and rental, overpayments, and the backdating of housing benefits. The number of errors was higher than was desirable but an improvement on the previous year.

In response to questions, the following points were clarified:

That housing benefit fraud was not tested for explicitly but that the strength of the controls in place to mitigate against fraud was considered, including the fraudulent aspects of overpayment.

The responsibility for checking the legitimacy of benefit claims lay with the local authority but that carrying out investigations was now the responsibility of the Department for Work and Pensions.

That fraud was inherent in all systems and that instances in Wiltshire did not automatically reflect a weakness in the systems that were in place.

That audit tests were via a sample of claims and that the level of this was nationally prescribed. Extended sampling could be used where it was deemed necessary to challenge the DWP's extrapolation of the sample (i.e. if it was felt the first sample did not reflect the wider population). To aid their understanding wider trends, it would be helpful for members to have sight of comparative figures for recent years and not just a comparison with the previous year.

Work had been done locally to train assessors and this had led to a reduction in human errors being made in the claims process.

That the 'qualified' classification for the audit was a binary measure used for any report that included anything more than minor adjustments, and that this was common and not a cause of concern. The report had included no recommendations for improvement because the council were already undertaking all necessary actions.

Resolved:
To note the Grant Certification report 2015/16.

To request that a comparison of errors made in housing subsidy claims in the last year be made against previous years and that this be brought to a future meeting of the Audit Committee so that potential long-term trends may be considered.

8   **Information Governance Update Report**

Liz Creedy, Head of Partnerships and Governance, spoke to the written report on the Information Governance review. The officer reported that good progress was being made against the actions that had come from the review, and highlighted the following points: That the council were in the process of moving hard-copy records to Kemble and that this was due to be completed by the end of the financial year which would create savings in storage costs; That an assets register was in development which covered both capital assets and databases; That a review of the information held by Wiltshire Council was due to be completed by September 2017 and that this was linked to the maintenance of their public services certificate; That training in the secure storing of records would be provided to the relevant staff; and that the governance review had included penetration testing and the report from this was being used to tackle areas of concern, 90% of which had since been rectified. The officer reported that it was hoped that all actions would have been completed by the end of April 2017.

In response to questions it was explained and clarified that:

There would now be a single council policy on the maintenance and disposal of records but that records would still be retained for the requisite period of time dictated by statutory guidance and based on their nature.

The details of tests to the Council's IT system were strictly confidential. However, a high-level report would be made available to the audit committee in July.

Independent advice had been taken on the operation of facilities with a view to preventing data breaches.

Freedom of Information requests (FOIs) were being dealt with more efficiently but remained resource intensive.

Wiltshire Council's involvement with the Information Commissioner's Office (ICO) was now completed but that a voluntary update report would be sent to them when all the actions had been completed.

Training on information governance would be included in the induction of new members following the election in May 2017, and that senior members of staff had already received training which would be rolled out to other staff teams through a variety of formats.

A progress report on actions from the inspection would be made to the Audit committee at their meeting in July.

Resolved:

To note the significant steps that have been taken to address and rectify the findings identified by the Information Commissioner's Office (ICO) and that the audit engagement with them is now complete.

To note the continued progress to address the actions identified in the two-year improvement programme, which goes beyond the ICO requirements to fully inculcate a new information governance culture and practices across the organisation, whilst ensuring compliance with statutory legislation.

To request that a high-level update on IT testing be presented to the July Committee meeting, alongside a general update on actions arising in respect of Information Governance.

9   **Forward Work Programme**

Members were reminded of the importance of attending a training event in July.

Resolved:

To consider the quarter 4 internal audit report as part of the yearly report to Committee in July.

10   **Date of Next Meeting**

The next meeting of the Audit Committee would be on 26 April 2017 at 2pm.

11   **Urgent Items**

There were no urgent items.

(Duration of meeting: 2.00 - 3.16 pm)

The Officer who has produced these minutes is Becky Holloway of Democratic Services, direct line (01225) 718063, e-mail becky.holloway@wiltshire.gov.uk

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