

AUDIT COMMITTEE

DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 26 SEPTEMBER 2017 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Anna Cuthbert (Substitute - Part II), Cllr Tony Deane, Cllr Stewart Dobson (Vice-Chairman), Cllr Tony Jackson, Cllr Edward Kirk, Cllr Andy Phillips and Cllr Leo Randall

Also Present:

Cllr Philip Whitehead, Cllr Richard Clewer

25 Apologies

Apologies were received from Cllr John Walsh, Cllr Jim Lynch, and Cllr Mike Hewitt (who was substituted for by Cllr Anna Cuthbert).

The Leader of the Council was represented by Cllr Philip Whitehead

26 Minutes of the Previous Meeting

The minutes of the previous meeting were presented and it was

Resolved:

To confirm and sign as a correct record the minutes of the meeting of the Audit Committee held on 26 July 2017

27 Declarations of Interests

There were no declarations of interest

28 Chairman's Announcements

SWAP was due to deliver two regional seminars on the Local Authority Audit process. These were not training events but would provide useful horizon-scanning information and opportunities for networking with other local authority audit committee members.

Following the outcome of a national tender for auditors of public services, it was reported that Wiltshire Council's external auditors for 2018/19 would be Deloitte. They would start working with the Council early in 2018. KPMG, the present incumbent, would continue to work with the Council until the summer of 2018 and would conduct the external audit for the 2017/18 financial year.

The Audit Committee would have an opportunity to meet the new external auditor to discuss expectations and support the handover process.

29 **Public Participation**

No statements or questions had been received

30 **Healthy Organisations Briefing session**

Ian Withers, from SWAP, delivered a short briefing session on the Healthy Organisations audit approach. It was explained that the Healthy Organisation approach was based on three lines of defence and had been developed by SWAP and implemented with five of their partners. Its purpose was to provide assurance of the council's performance and finance management and to support its scrutiny and management functions. The last Healthy Organisations audit had been completed in 2016 and an update was scheduled to start in December 2017.

The Chair explained that the purpose of the Audit Committee was to: approve the audit plan, monitor the progress of the plan, and to monitor the impact of the audit's recommendations. The Healthy Organisations approach supported this third function by offering a measure of impact and improvement.

In addition to receiving the briefing, members discussed the use of RAG rating in assessing risk and audit outcomes.

31 **Internal Audit Activity and Opinion Annual Report 2016-17**

The report was presented. It was explained that this was a look back at the 2016/17 financial year and that a reasonable assurance opinion had been given.

In response to questions it was reported that Wiltshire Council had not agreed to two recommended actions and had accepted the risk involved in this. It was agreed to provide details in future reports of recommendations that were not agreed. It was reported that five of the outstanding audits from the 2016/17 financial year had been removed with the agreement of senior management. The remainder had been carried forward into the 2017/18 audit plan and had since been completed. The completion time requirements for different priority areas were explained.

It was explained that actions relating to the schools audit had been put in place and a follow up would be completed to check that these had been completed. The schools chosen for the original audit had been those identified by the

council as the most at risk of challenges and the outcome of the audit had therefore been expected. The council was liaising with the schools finance team to look at future risk areas and members were reassured that adequate resources were being directed to meeting the identified challenges and risks. The progress made in this area would be included within the new audit plan.

Resolved:

To consider the Internal Audit Activity and Opinion Annual Report 2016 and to note the findings of the internal auditors

32 Internal Audit Plan 2017-18

The internal audit plan for 2017-18 was presented. It was explained that the plan was based on the Healthy Organisation audit and a full risk assessment of the local authority conducted by SWAP in consultation with key officers within the council. The proposed audits were targeted at areas where they would have the most value and where resources could most efficiently be employed. Members were also asked to consider Appendix One of the plan, the Internal Audit Charter, for their approval.

Resolved:

To approve the Internal Audit Plan for 2017/18 and the Internal Audit Charter

33 Counter Fraud Plan 2017/18

Ian Withers, from SWAP, presented the plan which was split into three areas: proactive and preventative work; audit reviews; and reactive work. He reported that the focus of the plan was on identifying areas of higher risk of fraud rather than identifying whether fraud was present.

A typographical error was corrected on page six of the report and it was confirmed that the Council's annual income from off-street parking was £750,000

Resolved:

To approve the Counter Fraud Plan for 2017-18 with the correction as above.

34 Internal Audit Activity 2017-18 - September Update

The report was presented and in the discussion that followed, the following issues were raised:

It was explained that recommendations with a Priority 3 classification were typically due for action within 3-6 months depending on a range of factors including their complexity. The number of overdue days was measured from the

start of this time range which meant some actions looked more problematic than the reality.

Work was ongoing to ensure that the two outstanding Priority 4 recommendations were completed and work on the Counter Fraud Work Plans (page 21-22 of the report) had now been scheduled.

It was explained that actions identified by the Healthy Organisations Audit usually took longer to implement as they were related to embedded work processes and approaches rather than specific activities.

Suggested improvements were identified to the format of future reports to provide more clarity on areas of concern or particular interest. Examples included better categorisation of overdue actions, and a more distinct split between actions which had not yet commenced and those that had started but had not yet been reviewed. It was agreed to set up a committee task group to consider these suggestions and make recommendations. The following councillors agreed to join this task group: Cllr Cuthbert, Cllr Dobson, Cllr Kirk, and Cllr Britton.

Resolved:

To receive the September Update on the Internal Audit Activity 2017-18 and the findings of the Internal Auditors

To establish a task group to look at the presentation and format of internal audit plans.

35 Information Governance SIRO Annual Report

The Information Governance SIRO Annual Report was presented and the Chairman thanked the team involved for the substantial and professional work involved. Carlton Brand, Corporate Director, reported that a large amount of work had been undertaken following the inspection and that the remaining risk was now largely in the potential for human error. The Governance Commissioner's response to this was not yet known.

It was explained that Information Governance was about protecting individuals' personal data and respecting their right to privacy. It was of paramount importance and a key area of priority for Wiltshire Council as mistakes could have devastating effects on a person's life as well as damaging people's trust in the council.

It was explained that town and parish councils faced similar issues with information governance but may be less equipped to deal with them due to a lower level of resources and/or awareness. While meeting legislative requirements remained their responsibility an event had been organised for all parish and town councils at the end of November 2017 to offer advice and informational support.

The report author was congratulated for the presentation, language and detail of the report in addition to the work detailed within it.

Resolved:

To note with approval the conclusions and recommendations of the Information Governance SIRO Annual Report

36 Forward Work Programme

The Forward Work Programme was presented.

Resolved:

To note the Forward Work Programme

37 Date of Next Meeting

The Chairman thanked everyone for their attendance and informed members that the November meeting of the Audit Committee, currently scheduled for 30 November, would need to be rescheduled and the new date would be circulated to them in due course.

38 Urgent Items

The Chairman thanked everyone for their attendance and informed members that the November meeting of the Audit Committee, currently scheduled for 30 November, would need to be rescheduled and the new date would be circulated to them in due course.

(Duration of meeting: 2.00 - 3.40 pm)

The Officer who has produced these minutes is Becky Holloway of Democratic Services, direct line 01225 718059, e-mail committee@wiltshire.gov.uk

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

This page is intentionally left blank