

AUDIT COMMITTEE

DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 14 NOVEMBER 2018 AT KENNET ROOM - WILTSHIRE COUNCIL OFFICES, COUNTY HALL, TROWBRIDGE.

Present:

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

Also Present:

Cllr Philip Witehead

41 Apologies

Apologies were received from Cllr Andy Philips, who was substituted by Cllr Peter Evans.

42 Minutes of the Previous Meeting

Resolved:

To confirm the minutes of the meeting held on 24 July 2018.

43 Declarations of Interests

There were no declarations of interest.

44 Chairman's Announcements

The Chairman welcomed Becky Hellard to the meeting, who was the Interim Director of Finance and Procurement.

It was noted that a report on risk and performance, which was scheduled for the meeting, was not currently available, although it was in its final stages of being signed off. The report would be circulated to all Members as soon as possible and the Chairman would make a decision on whether a special meeting would be required.

Work on partnership governance had begun and a report would come to the committee in April 2019.

An idea was floated to invite risk owners to committee meetings where they could talk through the operational side of managing audits and to seek assurance that managers were confident managing the audits.

45 **Public Participation**

There were no members of the public present.

46 **Why Bother With Internal Audit?**

David Hill, SWAP, gave a presentation on why internal audits were important to the success of an organisation.

Key points of the presentation included:

- Recent examples of where internal audit made improvements in organisations;
- The importance of internal audit;
- The three lines of defence;
- The role and focus of audit committees;
- The evolving nature of internal audits as drivers for change;
- The annual planning process;
- Risk assessment planning;

The Chairman made note that it was important to ensure that SWAP were focusing their resources in the right areas and was keen to see a clear linkage between the audit reviews and the risk register, seeking assurances in areas other than finance.

The Chairman thanked SWAP for their presentations.

47 **External Audit Update**

The external auditors report was included in the agenda. A question was asked on the working relationship between external and internal auditors. The committee were advised that usually external and internal auditors set their plans together at the start of the financial year, with a triannual review to assess the reliability of the audits carried out.

48 **Internal Audit Activity Report - November 2018 Update**

The report to Committee updated on the progress of the Internal Audit in respect of delivering the 2018/19 Internal Audit and Counter-Fraud Plans,

managing response to audit recommendations and the Council's overall control environment.

SWAP highlighted that 57% of the audits were in progress or completed, this was slightly behind schedule, although further resources would be brought in to ensure the audits would be completed on time. There had been a vast improvement with management engagement, resulting in improvements with implementing overdue actions and recommendations. One audit had been given no assurance which related to a school, work was ongoing to implement the recommendations and finally there was an amendment to the internal audit plan which required approval..

The committee discussed the outstanding recommendations, it was noted that they related to one particular service area which was experiencing resource issues. Further discussion took place on whether there was a need to increase SWAP's input in school governance following a number of concerns of school governance.

SWAP advised that currently school governor's self-assessments and meeting minutes were reviewed and SWAP agreed to build into their reviews a mechanism of alert to flag up issues before they escalated and to assess any difference between primary/ secondary and religious/ non-religious schools.

Members also agreed to refer the issues to scrutiny.

Resolved:

To approve the amendments to the internal audit plan for 2018/19.

To notify Scrutiny of the concerns raised during the meeting.

49 **5 Year History of Reserves**

The Chairman introduced the item, referring to the report included with the agenda and welcomed the Interim Director of Finance and Procurement to give a short presentation on theory of reserves.

Following a general discussion, it was noted that Wiltshire Councils reserves were acceptable and the committee were reassured that the consistency of the reserves was positive.

50 **Forward Work Programme**

It was noted that the forward work plan would be updated and circulated to members.

51 **Date of Next Meeting**

The next meeting would take place on 6 February 2019.

52 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.00 - 11.55 am)

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