

## AUDIT

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### **DRAFT MINUTES OF THE AUDIT MEETING HELD ON 27 OCTOBER 2015 AT SALISBURY ROOM - COUNTY HALL, TROWBRIDGE.**

#### **Present:**

Cllr Richard Britton (Vice Chairman), Cllr Tony Deane (Chairman), Cllr Stewart Dobson, Cllr Mike Hewitt (Substitute), Cllr Julian Johnson, Cllr Stephen Oldrieve, Cllr Sheila Parker, Cllr David Pollitt and Cllr Baroness Scott of Bybook O.B.E

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#### **44 Apologies.**

Apologies were received from Cllr Jeff Osborne, Cllr Rosemary Brown, Cllr Linda Packard and Cllr James Sheppard (substituted by Cllr Mike Hewitt).

It was noted that Cllr Simon Killane, Chair of Overview & Scrutiny Committee, who now had a standing invitation to attend the Audit Committee, was unable to make this meeting.

#### **45 Chairman's Announcements**

The Chairman thanked Cllr Richard Britton for attending the recent training event at the Haines Motor Museum.

The Chairman also highlighted that he wished to raise the issue of the lessons learnt from the operation and ending of the BBLP contract.

#### **46 Minutes of the Previous Meeting**

The minutes of the meeting held on 29 July 2015 were presented.

#### **Resolved:**

**To approve as correct record and sign the minutes of the meeting held on 29 July 2015.**

#### **47 Members' Interests**

There were no declarations of interest made.

48 **Public Participation and Committee Members' Questions**

There were no questions from the public or members of the Committee under this item.

49 **Internal Audit 2015/16 Second Quarter Update Report**

Michael Hudson, Wiltshire Council, and Dave Hill, SWAP, presented the report which provided an update regarding the performance of the Internal Audit (IA) Section for the first quarter of 2015/16.

Issues highlighted in the course of the presentation and discussion included:

- The outcomes of audits completed during the period;
- That this is a period of transition from the old to the new-style of Internal Audit.
- That the results of some of the individual service review reports would be available in the new year;
- How lessons could be learnt from the letting of contracts;
- The results and outcomes of follow-up reviews carried out during the period, to assess the extent and adequacy of management action taken in response to audit reports from the previous year;
- The update on the delivery of the 2015/16 IA Plan, including audits in-progress which should be finalised and reported to the next Committee meeting and any deferred audits;
- The progress that had been made in relation to the Business Continuity Plan;
- That IA and the Council would be working more closely on counter-fraud work;
- The quality of the reporting and the performance of the Internal Audit service;
- The status of the audits planned for the year, and additional work that could be scheduled;
- How risk is identified and reported as part of the work;
- That a new assurance framework has been established in relation to the procurement of consultants;

- That some previous recommendations have been reviewed, with some archived, and which recommendations remain to be implemented;
- The support offered to IA by the senior management of the organisation; and
- What the key strengths are and what areas require further review.

Dave Hill stated, in response to a question from the Chairman, that SWAP would consider customer feedback and complaints as part of the review of specific service areas. Additionally, in response to an issue raised with regard to delays in Land Searches, Dave Hill and Michael Hudson stated that SWAP would focus on systemic issues and that it was general performance was a matter for the Council's Management.

Michael Hudson stated, in reply to an issue raised by Cllr Sheila Parker, that where service weakness are identified then it was the responsibility of the Management Team to address; where there were more systemic/major problems then IA could do more specific work.

Maggie Rae, Corporate Director, stated, in response to an issue raised by Cllr Steve Oldrieve, that action had been taken to improve procurement issues identified by IA, and that a formal report would now be considered by Cabinet at their meeting in December.

Dave Hill stated, in response to a question from the Vice-Chairman, that further detail would be provided in IA's Q3 report as to how the number of projects was reduced.

Michael Hudson stated, in reply to an issue raised by the Vice-Chairman, that nine key areas of work were still reported on, but that this would be amalgamated into one report that looks at the whole financial system and gives one opinion on it. In his view, putting the reports together was good practice and gives a better overview.

Dave Hill stated, in response to a question from the Vice-Chairman, that the fact that there are no recommendations arising from the work on Trust Funds may be anomalous due to the nature of funds, but that he would check and cover the matter in his next report.

Dave Hill stated, in response to a question from the Vice-Chairman, that a new assurance framework had been created for the Local Enterprise Partnership and procurement team are working with them on this. Additionally, The Baroness Jane Scott, commended the work of the IA which had helped improve the culture and processes of the LEP in this regard. Ian Gibbons stated that the assurance framework had been agreed with Swindon Borough Council to ensure openness and transparency in the LEP dealings.

Michael Hudson stated, in reply to an issue raised by the Vice-Chairman, that the review of the Financial Regulations would be considered by the Standards Committee, Audit Committee, Cabinet and then the full meeting of Council. The report should be ready for consideration by the Standards Committee in November 2015.

Dave Hill stated, in response to a question from the Vice-Chairman, that the when findings are summarised in reports they do aim for balance; specific reports, with graphical representations of matters, should make it clearer.

Following an issue raised by the Cllr Richard Britton, and considering the advice of the Monitoring and s151 officers, the Committee agreed that the Internal Audit Plan, with a provision for urgent amendments, should continue to be agreed by the Committee and that amendments should also be agreed formally. It was noted that the number of amendments to the plan made this year had been exceptional, due to the changes to the Internal Audit system.

#### **Resolved**

- 1. To note the findings from the Internal Audits to date;**
- 2. To agree that the Internal Audit Plan should continue to be approved by the Audit Committee and any ordinary amendments to the plan;**
- 3. That, to retain Management flexibility, the Associate Director for Finance should be given authority to amend the plan in consultation with Chair and the Vice Chairman of the Audit Committee, where the matter could not wait until the next meeting of the Audit Committee; and**
- 4. That any such urgent changes to the Internal Audit Plan be subsequently report to the next meeting of the Audit Committee.**

#### **50 Information Governance**

Ian Gibbons presented the report which provided an update on the improvement programme which had been developed to address the findings identified by the voluntary audit undertaken by the Information Commissioner's Office (ICO) in March 2015 on the Council's information governance arrangements in the areas of records management, subject access requests and data sharing.

Issues highlighted in the course of the presentation and discussion included:

- That the report to the Audit Committee built on the information already considered as part of the Annual Governance Statement;

- That the matter is being considered seriously as it cuts across all areas of the council's business;
- How any serious breaches of data protection are identified and dealt with;
- That some areas of good practice identified, but that there is scope for improvement;
- The areas identified in the report for action included the establishment of Information Governance Board, chaired by a Corporate Director, that will implement actions arising from the ICO's report and had a wider remit to continue to improve the area of Information Governance;
- The need to enact cultural change to ensure individuals take responsibility for ensuring good information governance;
- That improvements have already been made, including in the area of record management;
- That a review of the suite of policies on information governance would be undertaken, in accordance with a good practice framework;
- That a comprehensive training programme will ensure all staff are trained appropriately;
- That the Information Governance team is being restructured and will now sit within the Corporate Service, bringing together the key officers and improving management's overview of the issue;
- How having clear accountability for Information Governance will be addressed and how information asset owners are identified;
- That inviting the ICO in had shown that Council takes the area seriously; and
- That Cllr Stuart Wheeler was the Cabinet Member responsible for this area.

Ian Gibbons stated, in response to an issue raised by Cllr David Pollitt, that training would involve key Councillors and that all members would be included, as appropriate, in further training; and that the ICO would review the progress made by the Council but would only return to visit if they felt there were concerns.

Ian Gibbons stated, in response to an issue raised by Cllr Stewart Dobson, that £50,000 had been identified, as a discrete cost, to resource the implementation of the programme arising from the review; and that further work, including the restructure of the Information Governance team, should be managed within existing budgets.

Ian Gibbons stated, in response to an issue raised by Cllr Steve Oldrieve, that a risk management approach would be taken to enable the Council to prioritise actions.

Ian Gibbons stated, in response to an issue raised by the Vice-Chairman, that whilst the Council had already been in contact with the ICO around some issues, it was optional for the Council to invite the ICO in to do a full review.

Ian Gibbons stated, in response to an issue raised by Cllr Mike Hewitt, that whilst Council did give some informal advice to Parish and Town Councils, they were their own legal entities and thus responsible for their own information governance issues. Additionally, The Baroness Jane Scott stated that Parish and Town Councils should look to WALC and NALC for formal advice in this matter.

### **Resolved**

- 1. To note the outcome of the ICO's audit;**
- 2. To note the progress of the improvement programme that has been set up to address the findings identified by the ICO; and**
- 3. To receive a further report at the meeting on the 26 January 2016.**

51 **Date of next meeting**

It was noted that the next meeting would take place on the 26 January 2016.

52 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.30 am - 12.13 pm)

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