

AUDIT COMMITTEE

DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 14 FEBRUARY 2018 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Ian Blair-Pilling (Substitute), Cllr Richard Britton (Chairman), Cllr Tony Deane, Cllr Peter Evans (Substitute), Cllr Tony Jackson, Cllr Edward Kirk, Cllr Andy Phillips, Cllr Leo Randall and Cllr John Walsh

Also Present:

Michael Hudson, Ian Gibbons, Dr Carlton Brand, Cllr Philip Whitehead, Darren Gilbert and Ian Withers

1 Apologies

Apologies for absence were received from:

Councillor Stewart Dobson who was substituted by councillor Ian Blair-Pilling
Councillor Mike Hewitt who was substituted by councillor Peter Evans
Councillor Tony Trotman

2 Minutes of the Previous Meeting

Resolved:

To confirm the minutes of the meeting held on 12 December 2017.

3 Declarations of Interests

There were no declarations of interest.

4 Chairman's Announcements

The Chairman made the following announcements:

- That Michael Hudson, Director Finance and Procurement, would be leaving Wiltshire Council in May 2018. The Chairman thanked Michael for his hard work.

- That Deloitte would be taking over as external auditors from KPMG in the new financial year. It was noted that a national procurement exercise had taken place in which Deloitte was the successful applicant. A meeting with key officers and members would take place on the 6 March with Deloitte to start planning the external auditing schedule and to manage the transition process. The Committee was advised that the transition process would need to be tightly managed by the Committee. An item would be on the next agenda for further discussion.

5 **Public Participation**

There were no members of the public present.

6 **SWAP Internal Audit Activity Update**

The report to the Committee updated on the progress of the Internal Audit in respect of delivering the 2017/18 Internal Audit and Counter Fraud Plans. This had been achieved by identifying audits completed or in-progress compared to the original plan; the progress of management responding to audit recommendations and the Council's overall control environment.

Ian Withers, SWAP highlighted key improvements which had been made since the last report to committee noting that as of the 13 February 23 audit recommendations had yet to be implemented, down from 74. Those areas with outstanding audit recommendations were making positive progress to completing the implementations.

Committee members asked questions which focused on; whether Wiltshire Council had an internal system to monitor and sign off implemented recommendations; how 51 recommendations were implemented so quickly between the 2 February to 13 February; the level of assurance awarded versus the number and priority of projects and the number of audits carried out within the organisation being deferred and the impacts they had on staff.

It was noted that the Council no longer had an internal system to monitor the status of recommendations, although the SWAP could be used to send email reminders to managers. 51 recommendations had been implemented quickly due to chasing managers and the influence from the Committee and the Corporate Leadership Team, although the organisation needed to adopt a culture of continuous improvement and for managers to own audit recommendations as part of their roles. The Committee was informed that the awarding of assurance was subjective and down to the judgement of the auditor. Finally the Committee was advised that the number of audits had significantly reduced over the last 8 years and it was key to find the right balance. The Chairman suggested making future plans more realistic and deliverable taking into account resources and other issues.

Resolved:

- 1. To note the Internal Audit Activity for 2017/18 and the outcomes of the audit and counter fraud work completed to date.**
- 2. To agree the amendments to the Internal Audit and Counter Fraud Plans for 2017/18 in respect of planned audits.**

7 KPMG - Wiltshire Council - Annual Grants Report 2017/18

Darren Gilbert, KPMG, gave an overview of the annual grants report 2017/18 noting that work had been carried out within Housing Benefit, Teachers Pensions Contributions and Pooling of Housing Capital Receipts. It was noted that no significant errors had been identified although there were a number of items identified which were reported to the Department for Work and Pensions through a qualification letter.

Questions were asked about the increased risks/ errors from universal credit. It was noted that the issues within the report related to data entry errors by employees and that there was still a lot of work to be done on moving people onto universal credit. The issues were being dealt with through additional training and quality assurance.

8 KPMG - Wiltshire Council - Audit Plan 2017/18

KPMG introduced the Audit Plan 2017/18 which highlighted a number of areas which had significant risks and where the external auditors would focus noting that frequent updates would be provided.

Accelerated accounts would come into force this new financial year which meant that the auditing of the accounts would need to be completed earlier, although Wiltshire council had been carrying out accelerated accounts for a while.

Resolved:

To note the External Audit Plan 2017/18.

9 Audit Task and Finish Group

The Chairman referred to the Audit Task & Finish Group which had been introduced at the last meeting noting that the proposed terms of reference were attached which included an indicative work programme and schedule.

Resolved:

To approve the Audit Tsk & Finish Group inline with the Terms of Reference.

10 **Forward Work Programme**

The Chairman referred to the forward work plan noting that more information would become available on Deloitte once they had met on 6 March.

11 **Date of Next Meeting**

The next meeting would be held on the 11 April 2018.

12 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.00 - 11.25 am)

The Officer who has produced these minutes is Jessica Croman, of Democratic Services, direct line 01225 718262, e-mail jessica.croman@wiltshire.gov.uk

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