

AUDIT COMMITTEE

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 12 DECEMBER 2017 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Stewart Dobson (Vice-Chairman), Cllr Mike Hewitt, Cllr Tony Jackson, Cllr Leo Randall, Cllr Ian Thorn, Cllr John Walsh and Cllr Philip Whitehead

Also Present:

Michael Hudson, Robin Townsend, Ian Gibbons, Darren Gilbert, and Ian Withers.

39 Apologies

Apologies for absence were received from Cllr Tony Deane and Cllr Andy Phillips.

40 Minutes of the Previous Meeting

Resolved:

To confirm the minutes of the meeting held on 26 September 2017.

41 Declarations of Interests

There were no declarations of interest.

42 Chairman's Announcements

The Chairman advised he had circulated proposals to establish a Working Group to explore the remit of the Audit Committee. It was considered the Council's Constitution and Committee Terms of Reference should more clearly identify the roles and responsibilities of the Committee. The Chairman suggested that if such a Working Group be established, any recommendations formed should be taken forward to the Standards Committee and Full Council. The membership of a Working Group was discussed and Cllrs Jackson and Dobson indicated their interest to service on such a working group. It was acknowledged that further work was required to develop proposals for a working group before formal consideration by the Committee.

Resolved:

To note the Chairman of the Audit Committee and officers will meet to discuss the potential for a Working Group to investigate the remit of the Audit Committee and bring formal proposals for a Working Group Terms of Reference to the February meeting

43 **Public Participation**

There were no members of the public present.

44 **KPMG - Wiltshire Council - Annual Audit Letter 2016-17**

Darren Gilbert, KPMG, explained the auditor had issued an unqualified opinion on the Authority's financial statements on 26 July 2017 which meant the financial statements were considered to give a true view of the financial position of the Authority and of its expenditure and income for the year. The statements also included those of the Pension Fund.

Questions were raised as to the impact of the Wiltshire Pension Fund pooling assets into Brunel Pension Partnership; it was understood the auditors for Brunel and the Fund would work together to identify which areas they should focus on. It was also confirmed the Fund's liabilities were Wiltshire specific. The Committee discussed the undervaluing of the Council's housing stock by the external valuer as identified in the report. In response to this it was explained the undervaluation had not resulted in a financial loss to the Council, however the matter had been raised with the valuer which was in the final year of its contract.

Resolved:

To agree the Annual Audit Letter from Wiltshire Council's external auditors.

45 **KPMG - Wiltshire Council - Audit Fee letter 2017-18**

KMPG introduced their 2017-18 Audit Fee Letter which started the process for the 2017-18 audit and the process for fee-setting was explained. A discussion was had on the assumptions used to set the audit fee and it was confirmed KMPG had raised no issues in terms of previous process problems to be addressed.

Resolved:

To agree the audit fee letter from Wiltshire Council's external auditors.

46 **SWAP Internal Audit Activity Update**

The report to Committee updated on the progress of the Internal Audit in respect of delivering the 2017/18 Internal Audit and Counter-Fraud Plans, managing response to audit recommendations and the Council's overall control environment.

SWAP highlighted key improvements had been made since the last report to Committee and many outstanding issues had since been addressed. The Chairman commented he was pleased with the report and implementation of the audit recommendations.

Committee members asked about the development of the Council's Whistleblowing Policy against fraud and were advised this was in the process of being reviewed to ensure it remained effective. In respect of Housing Benefit Fraud, councillors heard the public could report this through the website and did make use of this facility. Councillors encouraged that the finance team work with Communications to promote the Anti-Fraud Plan. The Chief Finance Officer confirmed the Anti Fraud and Corruption Strategy would be brought to the April meeting of the Committee.

The process of the Healthy Schools work was discussed and it was highlighted 12 of the 14 schools had been audited. The Chairman thanked SWAP for an improved and comprehensive report.

Resolved:

To note the Internal Audit Activity for 2017/18 and the outcomes of audit and counter fraud work completed to date.

To encourage liaison with the Council's Communications team to promote the Counter-Fraud Plan.

47 **Forward Work Programme**

The Committee considered its Forward Work Programme and requested it be used to forecast further meetings ahead.

Resolved:

To request the Forward Work Programme be extended to cover future meeting dates.

48 **Date of Next Meeting**

The next meeting was to be held on 14 February 2018.

49 **Urgent Items**

There were no urgent items.

(Duration of meeting: 2.00 - 3.00 pm)

The Officer who has produced these minutes is Libby Johnstone, of Democratic Services, direct line 01225 718214, e-mail libby.johnstone@wiltshire.gov.uk

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