

AUDIT COMMITTEE

DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 6 FEBRUARY 2019 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Gavin Grant, Cllr Mike Hewitt, Cllr Edward Kirk, Cllr Tony Jackson, Cllr Andy Phillips, Cllr Leo Randall, Cllr John Smale, Cllr Ian Thorn and Cllr John Walsh

Also Present:

Cllr Philip Whitehead

1 **Apologies**

Apologies were received from Cllr Stuart Dobson.

2 **Minutes of the Previous Meeting**

Resolved:

To confirm the minutes of the meeting held on 14 November 2018.

3 **Declarations of Interests**

There were no declarations of interest.

4 **Chairman's Announcements**

There were no Chairman's announcements.

5 **Public Participation**

There were no members of the public present.

6 **External Auditors**

Understanding the Key Steps in the Conduct of an External Audit

Ian Howse, Deloitte, gave an overview of how an audit would be carried out highlighting the key steps involved.

A question was asked on the likeliness of identifying fraud against the level of materiality.

It was noted that a higher amount of testing would be carried out dependant on the level of materiality and compared to testing low risk areas of the accounts.

Audit Plan

Ian Howse referred to the report included in the agenda pack and noted that a hand over meeting had taken place between Deloitte and KPMG where they had an opportunity to examine KPMG's files of work carried out at Wiltshire Council. Deloitte had met with officers, examined much of the work already and identified areas of risk.

Working with SWAP

It was noted that Deloitte and SWAP had been in communication, although according to ISO 600, Deloitte were unable to direct the work of the internal auditors or to rely on it. That said, Deloitte still had an interest in the work carried out by SWAP.

Cllrs Jackson and Walsh arrived at 10:20am.

7 Approach to Internal Audit Plan 2019/20

Ian Withers, SWAP, introduced the report which was included in the agenda pack. It was noted that the audit plan would be available in April and that for 2019/20 SWAP were updating the risk assessment for each individual audit entity which would produce the first draft of the Internal Audit Plan for 2019/20. SWAP were assessing the vulnerability by scoring each audit entity in terms of impact and likelihood against a number of risk factors. SWAP's approach to the internal audit plan would involve assurance mapping, taking into consideration the three lines of defence model to determine the extent of audit coverage and work in order to direct resources appropriately, secure greater management buy-in to the control environment and to ensure Internal Audit was recognised as adding value.

Comments were made on the scoring mechanism for the healthy organisation report and a more nuanced scoring approach was requested.

8 Q3 Internal Audit Report

Ian Withers, SWAP, introduced the report. It was noted that a reasonable amount of work on the plan had been completed. Resourcing issues within SWAP had been resolved with only one remaining vacancy.

Some changes had been made to the plan which were outlined in the report, which needed the approval of the committee.

A request was made, that within future reports, priority one actions were complimented with commentary.

Resolved

To approve the changes to the Internal Audit Plan.

9 **Update: Anti-Fraud and Corruption Policy**

Ian Withers, SWAP, informed the committee that the national government had recently produced new anti-fraud and corruption standards. SWAP attended a meeting to determine how the new standards would impact the local strategy, the anti-fraud and corruption policy would be presented at the April meeting.

10 **Risk and Performance Management**

Robin Townsend, Director of Corporate Functions & Digital, introduced the paper included with the agenda.

Performance management was currently being reviewed at a strategic level to coincide with the digital programme, looking at how it could be enhanced. The current risk and performance management approach was robust but the aim of reviewing the processes was to evolve them into being more proactive using live data rather than reactive based on historical data. This meant that risk registers throughout the organisation would require updating.

11 **Finance Department Risk Register**

Becky Hellard, Director of Finance & Procurement, gave a presentation on how the organisation approached the risk register, using the risk register from her department as an example of how risk was calculated, how risks were prioritised and how mitigation plans were put in place.

12 **Finance Director Recruitment Update**

Cllr Philip Whitehead, Cabinet Member for Finance, Procurement, ICT and Operational Assets, notified the committee that market testing had been carried out which identified that the market was very quiet with a limited number of candidates. Marketing testing and monitoring would continue with an expectation that the market would pick up in March/ April.

13 **Forward Work Programme**

To include the following on the forward work plan:

- SWAP international standards assessment – July
- Anti-Fraud and Corruption Policy – April
- Risk and Performance Report - April

14 **Date of Next Meeting**

The next meeting of the Audit Committee would take place on the 17 April 2019.

15 **Urgent Items**

There were no urgent items.

(Duration of meeting: 12.00 pm - 11.50 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

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