

AUDIT COMMITTEE

DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 24 JULY 2019 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Stewart Dobson (Vice-Chairman), Cllr Gavin Grant, Cllr Edward Kirk, Cllr Tony Jackson and Cllr Stuart Wheeler

Also Present:

Cllr Philip Whitehead

46 **Apologies**

Apologies were received from:

Cllr John Walsh

Cllr Mike Hewitt

Cllr Ian Thorn

47 **Minutes of the Previous Meeting**

The minutes of the meeting held on 26 June 2019 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 26 June 2019.

48 **Declarations of Interests**

There were no declarations of interest.

49 **Chairman's Announcements**

There were no Chairman's announcements.

50 **Public Participation**

No questions had been received from councillors or members of the public.

The Chairman welcomed all present. He then explained the rules of public participation and the procedure to be followed at the meeting.

51 **Report to those Charged with Governance (ISA 260) 2018/2019**

Becky Hellard, Director of Finance & Procurement, introduced the officers report and explained that there had been a delay in releasing the report as Deloitte had identified an issue with the presentation of the fixed assets in note 15, Property, Plant & Equipment. Although the overall net book value was correct on the Balance Sheet, the split between the opening balance on the cost or valuation and the opening balance on the depreciation and impairments needed to be restated. Since identifying the issue, the Finance Team had restated the notes, which were now with the auditors for verification.

Ian Howse, Deloitte, introduced their report explaining that they were on track to give a good opinion on the accounts noting how impressed they were with the finance team at Wiltshire council. The audit process was explained and a detailed explanation of the report was given.

In response to questions asked it was noted that:

- SAP system limitations - The Fixed Asset Register did not sit within the SAP system as the module was never successfully implemented, the register was held in spreadsheets. After investigation the issues were identified and a new Fixed Asset system was being sourced. In the meantime the team would continue to use the system and apply a new methodology.
- Deloitte was of an opinion that Wiltshire Council had recorded their costs related to the Salisbury incident correctly.
- The Pension Fund Committee Chairman would be updated with the late reports (which were not available at the Pension Fund Committee meeting).
- Raising of purchase orders – work had been commissioned to correct the SAP system issues regarding the raising of purchase orders. Controls were in place and finance were working closely with service areas to manage the issue.
- Actions were being taken to limit access to composite codes.

The Chairman thanked officers and Deloitte for their reports noting how detailed and user friendly the report was. However, he expressed disappointment that the issues preventing the signing off of the accounts had arisen at such a late stage.

RESOLVED

The Report to Those Charged with Governance was approved and the final sign off was delegated to the Director of Finance and Procurement in consultation with the Chairman of the Audit Committee, once agreement had been finalised with Deloitte.

Cllr Tony Jackson arrived 10:53am.

52 Pension Assurance on the Statement of the Pension Fund Accounts

It was noted that the Pension Fund committee had approved the pension accounts, although they had not seen the Report to Those Charged with Governance. No formal confirmation had been received by the Audit Committee that the Pensions Committee were satisfied with the pensions accounts, due to the timing of the meetings. Confirmation would be sought from the Chairman of the Pension Fund Committee.

53 Statement of Accounts

Matthew Tiller, Chief Accountant, explained that there had been some amendments to the accounts and the latest version was included with the agenda.

In response to questions asked it was noted that:

- Officers would look at having a note added to the community infrastructure levy to show parish councils as short term creditors.
- Officers would look at including the basis of the figure for social housing devaluation.

RESOLVED

That the Audit Committee notes the final draft Statement of Accounts for 2018/2019 and delegates the signing of the accounts to the S151 Officer in consultation with the Chairman.

54 **Annual Governance Statement**

Ian Gibbons, Director of legal, Electoral and Registration, introduced the Annual Governance Statement (AGS) noting that Cabinet had accepted and endorsed the AGS. The external auditors had made some changes which were included in the Annual Governance Statement on the agenda.

RESOLVED

To approve the Annual Governance Statement.

55 **IA Annual Report 2018/2019**

David Hill, SWAP, introduced the report giving a summary of the work carried out and an opinion that the control frame was adequate.

In response to questions, it was noted that:

- The council tax assurance level had gone down due to the management review of exception reports and cases not being evidenced.
- There had been an incident of fraud which was subject to a police investigation. A full report would be available in due course.
- Monitoring of the Off Street Parking contract performance was delayed due to internal delays in reconciliation and checking of data, not an issue with the contractors.

RESOLVED

To note the IA Annual Report 2018/19

56 **Q1 IA Report**

David Hill, SWAP, introduced the report noting that SWAP's performance had improved with around 15% of the plan now completed.

Changes to the plan were outlined in the report. The Chairman expressed some concern that significant changes had been made to the Plan without consultation with or approval by, the Audit Committee and requested that any changes to the plan going forward be brought to the committee meeting for review.

RESOLVED

To note the Q1 IA Report.

57 **Action Plans on Money Laundering, Anti-Fraud, Theft, Bribery and Anti-Corruption**

Becky Hellard, Director of Finance and Procurement, introduced the report and action plans. Cllrs were invited to ask questions and in response it was noted that:

- The committee supported the action plans.
- There were no plans to legally tie suppliers and contractors in to the policies/ action plans but they were expected to act honestly and with integrity at all times. They were also required to give full access for auditors if needed.
- There were provisions and obligations within the legislation although the policies could be reviewed and strengthened.

RESOLVED

The Audit Committee noted and welcomed the Action Plans on Money Laundering, Anti-Fraud, Theft, Bribery and Anti-Corruption.

58 **Appointment to the Constitution Focus Group**

The Chairman called for nominations for the appointment of a member to the Constitutional Focus Group.

RESOLVED

To appoint Cllr Richard Britton to the Constitutional Focus Group.

59 **Task and Finish Group Update**

The Chairman gave an update on the Task & Finish Group looking at independent co-opted members. It was noted that research had started and six Chairmen from a variety of Audit Committees had been contacted.

A further update would be brought to the next meeting.

60 **Forward Work Programme**

The forward work plan was presented.

RESOLVED

The Audit Committee noted the forward work plan.

61 **Date of Next Meeting**

The next meeting of the Audit Committee was the 7 November 2019.

62 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.00 am - 12.05 pm)

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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