

AUDIT

DRAFT MINUTES OF THE AUDIT MEETING HELD ON 28 OCTOBER 2014 AT NORTH WILTSHIRE ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Richard Britton (Vice Chairman), Cllr Rosemary Brown, Cllr Tony Deane (Chairman), Cllr Stewart Dobson, Cllr Julian Johnson, Cllr Jeff Osborn (Substitute), Cllr Linda Packard, Cllr Mark Packard (Substitute), Cllr Sheila Parker and Cllr David Pollitt

Also Present:

Cllr Alan Macrae

41 Apologies and Membership Changes

Apologies were received from Cllr Stephen Oldrieve who was substituted by Cllr Mark Packard.

Apologies were received from Cllr Helen Osborn who was substituted by Cllr Jeff Osborn.

Apologies were also received from Cllr Dick Tonge, Cllr Jane Scott OBE and Cllr James Sheppard.

42 Chairman's Announcements

- a) The Chairman explained that risk had become the subject of some debate and that it was necessary for all involved to 'sing from the same hymn sheet'. The Chairman explained the need to set up a secondary committee/group to discuss risk and to meet with KPMG to ensure risk is being treated in the appropriate manner. The Committee heard KPMG's views on how risk is being treated.. Cllrs Britton, Pollitt, Packard and Dobson would join the Chairman in this new group.
- b) The Chairman commented on the level of resource available to the Committee due to recent changes within Democratic Services.

43 **Minutes of the Previous Meeting**

The minutes of the previous meeting, 31 July 2014, were approved by the Committee and signed by the Chairman.

44 **Members' Interests**

There were no declarations of interest.

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

There was no public participation and no Member questions.

46 **Internal Audit 2014/15 2nd Quarter Update Report**

The update was introduced by the Director of Finance and a demonstration of the system that SWAP use was provided by David Hill (SWAP). Attention paid by management to audit recommendations and the required time limits were discussed by Members. It was heard that Members would likely start seeing improvements in the next three to six months as to the number of recommendations being implemented. It was explained that there was currently too many recommendations outstanding. The Director of Finance explained that audit reports may take longer than usual to draw a conclusion and that patience was necessary.

David Hill discussed report clearing mechanisms and stated that there was a reasonably quick turnaround. It was heard that Mr Hill works across several authorities and that Wiltshire's system were very robust. It was explained that there was 116 recommendations to be followed up and at this time 56 had been completed; 12 of which had outstanding responses. The Committee heard that managers were to be chased for their response to recommendations and a database would be updated online. A priority system and the complete client self assessment were explained. It was heard that management assurances would be sought and that the Corporate Directors would be made aware of any concerns at CLT.

Members had the opportunity to ask questions and the response time to recommendations was discussed. Feedback to audit staff was also raised including the quality of work. Customer satisfaction was also discussed.

Cllr Alan Macrae attended to answer questions on concerns that some young people are being placed with inappropriate carers. Cllr Macrae explained that this situation was forced on Wiltshire Council by the legal system and that many young people were placed under Regulation 24 of the Children's Act. As a result of this, young people were usually placed with members of their family which can have a detrimental effect and could be limiting in their teenage years. Members ask questions in regard to timescales of placements and the fostering assessments. Cllr Macrae discussed special guardianship order standards and

how communication with safeguarding could be improved. The method of retaining evidence for these decisions was raised and the viability screening process was explained. The Chairman thanked Cllr Macrae for his attendance.

Further questions were asked in regards to Internal Audit. Member's expenses were discussed and a response from management was due at the next committee. Members stated that this is a subject that can raise public concerns and it was necessary to be particularly robust. SWAPs performance was also raised and questions were asked as to why it had taken twenty days to issue their final report. Representatives of SWAP explained that they often have not had a response from management and are therefore waiting for this before they can produce a final report.

It was heard that the Associate Director for Legal and Governance would give an update on Corporate Governance at the next meeting.

Members discussed potential capacity for SWAP to bring forward their work on the campus programme.

Resolved:

To note the Internal Audit 2014/15 2nd Quarter Update.

47 **Anti Fraud and Corruption Strategy**

The Anti-Fraud and Corruption Strategy was introduced by the Director of Finance. It was explained that the DWP had planned to create a national benefit fraud team and an action plan had been created to tackle corporate fraud in Wiltshire. This was the first public airing of this strategy and that Member's comments were required. It was explained that both KPMG and SWAP would be consulted on the strategy. Central government grants had been applied for and it was hoped that the team would be self-sufficient within three years. It was explained that it was difficult to recognise fraud that was not happening because of this team and therefore difficult to judge its success.

Members had the opportunity to ask questions on this issue. Small instances of fraud were discussed and internal audit would look at transactions in payroll and to creditors. Whistleblowers were raised and the need to protect them. It was asked if there was a need to see more emphasis on protecting whistle blowers in the anti-fraud and corruption papers. The cost of such a strategy was discussed by Members.

48 **KPMG - Annual Audit Letter 2013/14**

It was explained that it was necessary to produce a document for the final end point of the 2013/14 audit. The document was written with a public audience in mind and the document was therefore summarised. The document would be published online. It was explained that the last two pages, the appendices, were

new and that clarification was required in regard to overdrafts and presentational adjustments on the face of the new balance sheet.

49 **KPMG - External Audit Progress Report and Technical Update**

KPMG's work since the last committee meeting was summarised and it was explained that work had now started on the 2014/15 audit. KPMG would meet with SWAP in regards to the 2014/15 audit. Issues were raised in regards to benchmarking analysis on the risk register which have been shared with the Director for Finance. It was heard that there was trust between the auditors and Wiltshire Council staff. Concern was raised that fraud policy had not been run past the auditors.

Clarification was provided in regards to pensions for academy school staff. It was heard that unfunded pensions would be supplied for teachers but non-teaching staff would receive a pension through the Wiltshire Pension Fund. Local business cash flow and payment deadlines were also raised.

50 **Date of next meeting**

The next meeting would be held on 02 December 2014 in the Kennet Room, County Hall.

51 **Urgent Items**

There were no urgent items.

(Duration of meeting: 12:30 – 14:20)

The Officer who has produced these minutes is David Parkes, of Democratic Services, direct line (01225) 718220, e-mail david.parkes@wiltshire.gov.uk

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