

Audit Committee

Minutes of a meeting of the Audit Committee held in the Luttrell Room, County Hall, Taunton on Thursday 21 September 2017 at 2.00pm.

PRESENT

Cllr D Ruddle (Chairman)

Cllr N Bloomfield
Cllr S Coles
Cllr B Filmer

Cllr L Leyshon (Substitute)
Cllr M Rigby
Cllr J Thorne

Apologies for absence: Cllr M Caswell, Cllr Ham and Cllr J Lock.

Other Members present: Cllr Davies, Cllr Aprico Paul.

Officers present: Kevin Nacey, Director of Finance and Performance; Martin Gerrish, Strategic Manager – Financial Governance; Scoot Wooldridge – Democratic Services; Pam Pursley – Principal Risk Officer; John Padfield and Martin Young – Strategic Managers.

Also present: Lisa Fryer - Southwest Audit Partnership.

13 **Declarations of interest** – agenda item 2

13.0 Members of the Audit Committee declared the following personal interests in their capacity as a Member of a District, City/Town or Parish Council:
Cllr N Bloomfield, Cllr S Coles, Cllr B Filmer, Cllr Leyshon, Cllr Rigby, and Cllr Thorne.

13.1 Cllr Simon Coles further declared a personal interest regarding his membership of the Devon and Somerset Fire Authority.

14 **Minutes of the last meetings – 27 July 2017** - agenda item 3

14.0 The Committee agreed that the minutes of the meeting held on 27 July 2017 were accurate and the Chairman signed them.

15 **Public question time** – agenda item 4

15.0 There were no members of the public present, and hence no questions asked, statements/comments made or petitions presented.

16 **External Audit Annual Opinion** – agenda item 5

16.0 The Committee considered and discussed this report, introduced by the External Auditor's Engagement Manager that provided an overall summary of progress in delivering this year's audit.

- 16.1 Members noted that since the last meeting the External Auditors had reviewed the Pension Fund Annual Report and were satisfied that it was consistent with the Pension Fund financial statements. It was also reported that the whole government accounts (WGA) work was on progress to be completed later in September. In respect of an objection raised on the accounts the objector, despite requests, had failed to confirm their electoral status and the External Auditors concluded they no longer wished to raise an objection.
- 16.2 There was a brief update on the process of appointing auditors to 'opted-in' bodies, now the procurement exercise had finished, and it was noted that the Public Sector Audit Appointments Board would confirm appointments in December.
- 16.3 Members accepted the report and noted that a further update would be presented to the 23 November meeting.

17 Internal Audit Annual Opinion - Agenda item 6

- 17.0 The Committee considered and discussed this report from the Internal Auditors that summarised progress against the 2017/18 audit plan. There was an overview of the 3 partial opinions regarding audit relating to the New General Data Protection Regulations (GDPR); Data Subject Access Requests (DSAR); and the Regulation of Investigatory Powers Act 2000 (RIPA). The Committee sought and received assurances that the Council had plans in place to ensure compliance in these important areas.
- 17.1 Members were pleased to note that the report indicated that good progress was being made and that some requests for work in quarter 2 had helped with scheduling work that had been delayed. It was also reported that SWAP performance had remained good and above targets and compared favourably to the performance of partners. Members considered and briefly discussed Appendix B that provided details of audit completed, in progress and those not started. The report was accepted.

18 Quarterly Risk Management update - Agenda item 7

- 18.0 The Committee considered this report, introduced by the Governance Manager in detail and held a discussion on the latest risk management update.
- 18.1 It was highlighted to Members that the risk score for ORG0043 (Maintain a Sustainable Budget) had remained at a score of 20 and that a range of organisational mitigations and management actions continued to be used to further address and mitigate this challenging on-going risk. There was brief discussion about the Council's on-going work to manage its financial position and the Governance Manager assured Members that the Senior Leadership Team and Cabinet would continue to manage the financial position, robustly challenging any overspends, implementing management actions and continue to develop options to bring the overall budget back into

balance.

- 18.2 The Committee considered the report and a brief overview was given of the four very high risks – a score of 16 or above – and how those were being addressed. It was stated that risk management was as much about exploiting opportunities as it was about managing threats. Risks needed to be managed rather than avoided, and consideration of risk should not stifle innovation. In some cases the Council might accept a relatively high level of risk because the benefits of the action outweigh the risk or disadvantages on the basis that the risk would be well managed.
- 18.3 Members proceeded to discuss Appendix A of the report and Appendix B which listed the partial assurance internal audit reports and sought and received assurances that the required actions were being followed up and progressed. Regarding the audits where SWAP could only offer “partial” assurance it was noted that these would come back to a future Committee meeting as part of the “follow up” process, and that agreed actions rated as 4 (Medium / High) or 5 (High) were required to be formally recorded and tracked through to completion. The Committee would receive six monthly updates setting a summary of progress. The Committee accepted the report.

19 Partial Assurance Audit – Adults – Safeguarding Alerts - Agenda item 8

- 19.0 The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Safeguarding Alerts Audit issued last May.
- 19.1 Members were reminded that the Audit had been commissioned to assess the adequacy of the control and procedures in place for the processes across the Council. The Audit had also focussed on the subsequent ‘alert stage’ of a safeguarding contact and the various timescales and reporting processes in place.
- 19.2 Attention turned to the Final Audit attached as an Appendix to the report and the discussion focused on the agreed outcomes and actions arising from the significant findings. It was reported that significant progress had been made against the suggested actions and there was now a clear policy for staff to implement that included raising awareness of the 20 day timescale.
- 19.3 There was a brief discussion of the report and there was a question about when the changes would be fully embedded and become automatic and it was stated that the overall service had been subject to a period of substantial change but that the policy was becoming established and would be more ingrained as the service evolved. The Committee accepted the report.

20 Partial Assurance Audit – Adults AIS Data Quality - Agenda item 9

- 20.0 The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Data Quality Audit issued last January.

- 20.1 Members were reminded that the Audit had focussed on the use of AIS as the Adult Social Care case management system and the measures in place to ensure that the quality of data recorded on AIS was as robust as possible.
- 20.2 Attention turned to the Final Audit attached as an Appendix to the report and it was stated that the service had been subject to a complete restructure and that process had meant a slight delay in progress. The suggested actions regarding the current software system 'Northgate' had been addressed and it had been agreed that a different case management system would be required to meet the requirements of the modern service. The Committee accepted the report.

21 Partial Assurance Audit – Financial Management of Care Provision - Agenda item 10

- 21.0 The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Financial Management of Care Provision issued last March.
- 21.1 It was noted that the audit had been undertaken after a number of projects which had resulted in significant changes to staff and contract practice and structures. A number of those changes had addressed the suggested outcomes from the audit. It was also explained that the on-going work was focussed on ensuring future changes had a positive impact on behaviours and practice where possible.
- 21.2 Attention turned to the Final Audit attached as an Appendix to the report and 2 pages in colour from the report were tabled, to help show the information contained thereon. The progress made against the audit action plan was discussed and questions were asked and answers provided by the Strategic Finance Manager.
- 21.3 It was stated, in response to a question, that the increased capacity of the Care Co-ordination team along with improvements in software should mean that by the end of year the service was on sounder footing. The Committee accepted the report.

22 Partial Assurance Audit – Personal Finance Contributions, Income Collection - Agenda item 11

- 22.0 The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Personal Finance Contributions, Income Collection issued last March.
- 22.1 Members were reminded that the audit had been undertaken after a number of projects which had resulted in significant changes to staff and contract practice and structures. A number of those changes had addressed the suggested outcomes from the audit. It was also explained that the on-going work was focussed on ensuring future changes had a positive impact on behaviours and practice where possible.

22.2 Consideration turned to Appendix B that provided details of the actions and progress made and it was noted that an on-going benefit would be a more consistent approach and outcomes for service users and a streamlined system for staff. The Committee accepted the report.

23 Forward Work Plan – agenda item 12

23.0 The Committee considered and discussed its Forward Work Plan of future agenda items and reports for forthcoming meetings in 2017 and in to 2018.

23.1 It was agreed that the November meeting would include an item on Debt recovery and the January meeting would have an Anti-Fraud and Corruption themed agenda.

23.2 In response to a question it was stated that there were 6 fraud cases under investigation, and the Strategic Manager – Financial Governance undertook to provide an update on the number of on-going investigations at each meeting.

24 Other business of urgency – agenda item 12

24.0 There were no other items for consideration and the Chairman thanked all those present for attending. The meeting closed at 11.11.

**Cllr Dean Ruddle
Chairman – Audit Committee**