

# Audit Committee

Minutes of a meeting of the Audit Committee held in the Luttrell Room, County Hall, Taunton on Thursday 23 November 2017 at 10.00.

## PRESENT

Cllr D Ruddle (Chairman)

Cllr M Caswell

Cllr S Coles

Cllr B Filmer

Cllr P Ham

Cllr J Lock

Cllr M Rigby

Cllr J Thorne

Cllr J Williams (Substitute)

**Apologies for absence:** Cllr N Bloomfield.

**Other Members present:** Cllr Davies, Cllr Hall, Cllr Aprico Paul and Cllr Redman.

**Officers present:** Kevin Nacey, Director of Finance and Performance; Martin Gerrish, Strategic Manager – Financial Governance

**Also present:** Lisa Fryer - Southwest Audit Partnership; David bray and David Johnson – Grant Thornton.

## 25 **Declarations of interest** – agenda item 2

25.0 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 M Caswell, Cllr S Coles, Cllr B Filmer, Cllr Leyshon, Cllr Rigby, Cllr Ruddle, Cllr Thorne and Cllr Williams.

## 26 **Minutes of the last meetings – 21 September 2017** - agenda item 3

26.0 The Committee agreed that the minutes of the meeting held on 21 September 2017 were accurate and the Chairman signed them.

## 27 **Public question time** – agenda item 4

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

## 28 **Partial Audit – Children’s Independent Placements, Financial Controls** – agenda item 5

28.0 The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Independent Placements – Financial Controls audit undertaken in November 2016. Members considered and discussed the report which had the recommendations and progress made to date attached as Appendix A.

28.1 Progress made to date was accepted and it was noted that the outcomes of a follow up Audit would be considered at a future meeting. The report was accepted.

**29 Partial Audit – The Planned Use of Schools Balances - Agenda item 6**

29.0 The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Planned use of School balances audit undertaken in October 2016. Members considered and discussed the internal auditor's report which was supplemented by 2 additional reports to the Schools Forum.

29.1 An overview was provided on the current situation regarding the balances of schools in Somerset, which indicated that balances/reserves had reduced. The report was accepted.

**30 External Audit update - Agenda item 7**

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

30.1 Members noted that since the last meeting the External Auditors had completed the Annual Audit Letter, which gave an unqualified opinion, for 2016/17 and this had been provided to the Public Sector Audit Appointments (PSAA) by the deadline of 30 October. It was noted that the accounts audit plan setting out the external auditors proposed approach would be issued on completion of the audit planning.

30.2 The Council had once again complied with the earlier deadline for submitting its final accounts so was well placed for continuing this when the earlier date came in to force in 2018. The Committee thanked and said goodbye to the Engagement Manger and welcomed his successor to the position.

30.3 Members accepted the report and noted that a further update would be presented to the 25 January 2018 meeting.

**31 Internal Audit update - Agenda item 8**

31.0 The Committee considered and discussed this report from the Internal Auditors that summarised progress against the 2017/18 audit plan. It was noted that since the last report a further 5 audits had been completed with the Better Care Fund audit receiving a partial assurance.

31.1 The Committee sought and received assurances that the Council had plans in place to ensure improvements in this important area and a report would be represented to a future meeting.

31.2 Members were pleased to note that the report indicated that good progress was being made although some follow-up audits were delayed due to more time being needed to implement recommendations. As a result some reviews were scheduled to take place later than planned with some scheduled for the

final quarter of the year. Members considered and briefly discussed Appendix B that provided details of audit completed, in progress and those not started.

- 31.3 There was a brief discussion about the follow up audit regarding Section 106 agreements and the Director for Finance and Performance agreed to provide Members with an update. The report was accepted.

## **32 Debt Management - Agenda item 9**

- 32.0 The Committee considered a report and received a presentation on the recovery of outstanding debts as at the end of October, including a comparison with the previous report and equivalent values over the last 12 months. It was noted that 99.8% of debt was collected however there remained a problem with some debts (a total of 62 debts) that were over 90 days old and for amounts over £10K.

- 32.1 The Committee noted that although the overall debts outstanding and the proportion of those over 90 days had increased when compared to the same time last year, the recent upward trend had been arrested. The report was accepted.

## **33 Partial Audit – Debt Management - Agenda item 10**

- 33.0 The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Debt Management audit undertaken in last February.

- 33.1 It was noted that that there had been sufficient work on the debtors system to provide confidence there had been improvements and those changes had addressed the suggested outcomes from the audit.

- 33.2 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, to ensure prompt payment.

- 33.3 The Committee accepted the report.

## **34 Income Code of Practice - Agenda item 11**

- 34.0 The Committee considered a report that highlighted key areas within the proposed new Income Code of practice. It was noted that the Internal Auditors commented that the previous code was out of date and not robust enough. The revised Income Code of Practice would be mandatory and must be complied with and would include specific points raised in the audit.

- 34.1 Members considered and discussed the report with questions being asked and answers provided and there was a brief discussion including about the lowest amount for which to raise an invoice.

- 34.2 It was also explained that the new Code was focussed on ensuring future changes had a positive impact to tighten up and simplify the existing

procedures.

34.2 The Committee accepted the report and endorsed the new income Code of Practice.

**35 Forward Work Plan** – agenda item 12

35.0 The Committee considered and discussed its Forward Work Plan of future agenda items and reports for the first 2 meetings in 2018.

35.1 There was a brief update on several matters and it was confirmed that the same number of fraud cases remained under investigation (6).

**36 Other business of urgency** – agenda item 13

36.0 There were no other items for consideration and the Chairman thanked all those present for attending. The meeting closed at 11.42.

**Cllr Dean Ruddle  
Chairman – Audit Committee**