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# AUDIT COMMITTEE SUMMARY OF OUTCOMES

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**25 January 2018**

**Declarations of Interest - Agenda item 2**

**Action**

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 Ham, Cllr Rigby, and Cllr Thorne.

**Minutes from the meeting held on 23 November 2017 - Agenda item 3**

**Action**

The Committee agreed that the minutes of the meeting held on 23 November 2017 were accurate, providing Cllr Ham's declaration was recorded, and the Chairman signed them.

**Public Question Time - Agenda item 4**

**Action**

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

**Section 106 Partial Audit - Agenda item 5**

**Action**

The Committee considered a report that provided an update on management and administration of Section 106 and Section 278 agreements prior to a follow up audit scheduled to commence in February and March 2018.

The Committee also received a presentation and this began by acknowledging the audit findings and explaining the Council's responses and actions undertaken to address those areas. There was a brief discussion around the new software system MasterGov that would assist with the recording and monitoring processes for S106 contributions and the process for District Council to forward developer contributions to the Council. It was acknowledged that there was room for improvement between the Councils in Somerset regarding information sharing.

The report was accepted and Members noted that the findings of the follow up audit would be reported at a future meeting.

**External Audit - Progress Report and Audit Plan - Agenda item 6**

**Action**

The Committee considered and discussed this report, introduced by the External Auditor's Engagement Lead that provided an overall summary of progress in delivering this year's audit. The report also provided Members with an overview of emerging national issues and developments.

There was a brief discussion around 'materiality' and it was noted that the Auditors had determined materiality to be £15.1m, which equated to 1.8% of the Council's prior year gross expenditure for the year. The Auditors were also obliged to report uncorrected omissions or misstatements other than those which were 'clearly trivial' to those charged with governance, and that figure had been set at £755k.

There was a question about the on-going independent review of building regulations and fire safety following the Grenfell Tower tragedy and if the Council would be submitting a response and the Cabinet Member Resources and Economic Development undertook to investigate and provide an update.

### **Internal Audit - Progress report - Agenda item 7**

### **Action**

The Committee considered and discussed this report from the South West Audit Partnership (SWAP) the Council's Internal Auditors that summarised progress against the 2017/18 audit plan.

It was noted that since the last report one audit had been finalised and this had received a partial assurance. 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.

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 there were now 21 audits that had yet to begin and these were now 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 audits completed, in progress and those not started. There was a brief discussion about how the Schools that had been audited were chosen and it was noted this were picked at random, and each school would subsequently receive a report of the audit findings. The report was accepted.

### **Risk Management Update - Agenda item 8**

### **Action**

The Committee considered this report in detail and held a discussion of the latest risk management update. The Service Manager – Governance drew Members attention to ORG0043 - Maintain a Sustainable Budget as this remained the Council's critical risk and the considerable on-going work being undertaken to manage this risk.

The Service Manager further highlighted details of the other 3 very high risks and also the 4 high risk areas. Members proceeded to discuss Appendix A of the report which listed the latest position regarding managing the Council's identified strategic risks. The Committee accepted

the report.

**Committee Future Workplan - Agenda item 9**

**Action**

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

There was a brief discussion which related to agenda item 5 and a request for a report on the Council's arrangements for Community Infrastructure Levy in Somerset. It was noted that this was a policy development issue and therefore something more appropriately to be considered by the Scrutiny for Policies and Place Committee. The work plan was accepted

**Anti-Fraud and Corruption Review - Appendix 2 is attached for Committee Members Only - Agenda item 10**

**Action**

The Committee considered and discussed this report that provided information about continuing anti-fraud work being undertaken across the Council and also new initiatives to protect against corruption.

After agreeing to go in to Confidential session and passing a resolution to exclude members of the press and public, the Committee's attention turned to Appendix 2 of the report that provided an update on local, with further detail being provided by the Director of Finance, Legal and Governance.

Members thanked officers for their work, and noted their continued support for a zero tolerance policy with regard to fraud. Also the Director of Finance and Performance thanked SWAP for their supportive work.

**Any other urgent items of business - Agenda item 11**

**Action**

There were no other items for consideration and the Chairman thanked all those present for attending. The meeting closed at 11.37.