

AUDIT COMMITTEE

Minutes of a Meeting of the Audit Committee held in the Luttrell Room - County Hall, Taunton, on Thursday 12 April 2018 at 10.00 am

Present: Cllr D Ruddle (Chairman), Cllr S Coles, Cllr N Bloomfield (Vice-Chair), Cllr M Caswell, Cllr B Filmer, Cllr P Ham, Cllr J Lock, Cllr M Rigby and Cllr J Thorne
Also present: Gerry Cox – Chief Executive of South West Audit Partnership (SWAP)

Other Members present:

Apologies for absence:

35 **Declarations of Interest - Agenda Item 2**

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.

36 **Minutes from the meeting held on 25 January 2018 - Agenda Item 3**

The Committee agreed that the minutes of the meeting held on 25 January 2018 were accurate, and the Chairman signed them.

37 **Public Question Time - Agenda Item 4**

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

38 **Review of the South West Audit Partnership (SWAP) - Agenda Item 5**

A short presentation was received from Gerry Cox the Chief Executive of SWAP about its progress.

Members considered and discussed the report about the review carried out by the relevant officers into the effectiveness of the internal audit function from the South West Audit Partnership in 2017/18 and for the future.

The Committee sought and received assurances that SWAPs ability to complete the Council's audit work would not be affected by SWAP's on-going expansion including the completion of external auditing work.

The report concluded that SWAP continued to provide an adequate and effective internal audit function for the Council and continued to demonstrate value for money.

Members accepted the report.

39 **Partial Audit - Better Care Fund - Agenda Item 6**

The Committee considered a report from the Internal Auditors that provided an update following the recommendations received with the Better Care Fund Audit issued last September.

Members were reminded that the Audit had been commissioned to assess the adequacy of the control and procedures in place for the governance and processes of the better care Fund across the Council. The Audit had focussed on the management of the Fund through the Health and Well-Being and Joint Commissioning Board.

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 clear policies for staff to implement to achieve the agreed performance measures.

There was a brief discussion of the report and there was a question about concerns with the high number of priority outcomes and the commitment of managers to address these. Members were assured that these actions will have been taken before the next meeting.

The Committee accepted the report and asked for an update at a future meeting.

40 **Internal Audit - Progress Report - Agenda Item 7**

The Committee considered this report, introduced by the Internal Auditors, that provided an overview and general update of the progress made against the 2017/18 Audit Plan. It was noted that of the audits completed since the last update no significant corporate risks had been identified.

Attention turned to Appendix B of the report that provided a schedule of the audits and it was explained that 2 audits completed in the reporting period had been received a partial assurance. These were in respect of Children's Direct payments and also Adults Risk of Care Provider Failure and there was a brief discussion about each.

It was noted that 33 reports had been completed, 12 were in draft/discussion stage and 15 audits were currently in progress and members noted that all Audits in progress would be at the report stage in time for the Annual Opinion report in June.

There was a discussion about the Care Provider Failure and new providers joining the framework which was resulting in a greater workload and ensuring that work was being completed at the right time and payments were being made appropriately.

There was also discussion about work being carried forward and members were informed that this was lower than last year and was manageable and usual practice.

The report was agreed.

41 **Internal Audit Plan 2018-2019 - Agenda Item 8**

The Committee considered and discussed this report from the Strategic Manager - Finance that summarised the proposed 2018/19 Audit Plan (attached as Appendix A to the report). The Committee was also asked to re-approve the Audit Charter (attached to the report as Appendix B).

The Strategic Manager introduced the report and noted that: it was best practice was for the Committee to approve the Internal Audit Plan and Charter; members were reassured the same number of Audit days available in the 2017/18 Audit Plan 1400 would be retained; also further audit days could be added if required. The Strategic Manager further thanked Internal Audit for their work.

The Committee accepted the report and the 2018/2019 Audit Plan and the Internal Audit Charter were agreed.

42 **External Audit Update - to include ISA 240 responses - Agenda Item 9**

The Committee considered this report, introduced by the Council's External Auditors that provided an overview of the planned scope and timing of the statutory audit of the Somerset Pension Fund. The report provided a detailed summary of the work already undertaken in this regard which included the work under ISA (UK) 240 that set out the Auditor's responsibilities relating to fraud during an audit of financial statements.

The External Auditors also provided an overall progress report and sector update. The report was accepted.

43 **Debt Management Update - Agenda Item 10**

The Committee considered a report and received a presentation on the recovery of outstanding debts as at the end of February, including a comparison with the previous report and equivalent values over the last 12 months. It was noted that the % of debt over 90 days was much reduced and had almost halved since the last report.

The Committee noted that the volume of debts referred for legal recovery was gradually increasing and now stood at 32% of the total.

The report was accepted.

44 **Annual Report of the Committee to Full Council - Agenda Item 11**

The Strategic Manager – Financial Governance introduced the report, which was to come before the May County Council meeting, noting that the Committee had met 6 times during the year.

The report gave general information about the committee and its governance role, with details about the work programme and training.

The report was accepted.

45 **Committee Future Workplan - Agenda Item 12**

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

Members were informed that Peter Barber from Grant Thornton would bring the annual fees letter to the June meeting. There would also be a training session for committee members in June ahead of the statement of accounts item in July. Further information regarding the partial assurances for the Better Care Fund and regarding Adult Social Care providers would be brought to the July meeting.

The work plan was accepted.

46 **Any other urgent items of business** - Agenda Item 13

There were no other items for consideration and the Chairman thanked all those present for attending. The meeting closed at 11.28.

(The meeting ended at 11.28 am)

**Cllr Dean Ruddle
Chair of Audit Committee**